

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON SOCIAL ISSUES

**INQUIRY INTO OVERCOMING
INDIGENOUS DISADVANTAGE
IN NEW SOUTH WALES**

At Sydney on Wednesday 13 February 2008

The Committee met at 11.15 a.m.

PRESENT

The Hon. I. W. West (Chair)
The Hon. G. J. Donnelly
The Hon. M. A. Ficarra
Dr J. Kaye
The Hon. T. J. Khan
The Hon. M. S. Veitch

CHAIR: On behalf of the Committee, I acknowledge that we are conducting our business today on the traditional country of the Gadigal people of the Eora nation, and we pay our respects to Elders, past and present. Welcome to the second hearing day by the Standing Committee on Social Issues of the inquiry into overcoming indigenous disadvantage. This inquiry will examine policies and programs aimed at addressing the lifetime expectancy gap between indigenous and non-indigenous Australians, the Federal Government intervention in the Northern Territory, opportunities for strengthening cultural resilience within indigenous communities and the outcomes of the Council of Australian Governments [COAG] trial in Murdi Paaki, among other issues.

On this very important and historical morning, the Committee hosted a screening in Parliament House's theatre of the Federal Government's apology to the stolen generation. Today the Committee will hear from non-government organisations and other experts on indigenous affairs. I formally welcome Dr Sophie Couzos, Public Health Officer, National Aboriginal Community Controlled Health Organisation [NACCHO] to the hearing.

Before we commence, I make some comments about procedural matters. In accordance with the Legislative Council's *Guidelines for the Broadcast of Proceedings*, only Committee members and witnesses may be filmed. In reporting the proceedings of this Committee, you must take responsibility for what you publish or the interpretation you place on anything that is said before the Committee. The guidelines for the broadcast of proceedings are available at the table by the door. Any messages from attendees in the public gallery should be delivered through the Chamber and support staff or the Committee clerks. I ask everybody to turn off all mobile phones.

DR SOPHIE COUZOS, Public Health Officer, National Aboriginal Community Controlled Health Organisation, affirmed and examined:

CHAIR: I invite you to make an opening comment before we commence questions.

Dr COUZOS: I would like to thank and congratulate the Committee on the conduct of this inquiry, which is particularly important on behalf of National Aboriginal Community Controlled Health Organisation [NACCHO]. I believe the questions about to be asked and answered cover the main issues.

The Hon. MARIE FICARRA: Can you give us a little bit of background about the establishment of your organisation: how long it has been running, who funds it, what are the organisation's chief objectives, and what issues you think this Committee should be looking at to make improvements? The objective of this Committee is to improve the life expectancy of the Australian indigenous population. What is your organisation's view as to what we should be looking at?

Dr COUZOS: There are a lot of questions there. In answer to the first part of your question as to the history and background of our organisation, NACCHO is the peak Aboriginal health body in Australia. It represents over 140 Aboriginal community health controlled services in every State and Territory. In 1985 the National Aboriginal and Islander Health Organisation, which was the precursor to NACCHO, established its secretariat for the first time with an office in Melbourne, but the actual national body was established in 1974 and now is known as NACCHO. We have really been in existence for over 30 years and the organisation functions as an Aboriginal community controlled organisation. There is a national board of directors. Aboriginal health leaders are elected by their communities across Australia and the secretariat is based in Canberra. NACCHO takes direction from the board of directors in the programs and policies we implement.

The objectives of NACCHO fall into two main broad areas. Firstly, to improve the effectiveness and cultural validity of policies, programs and initiatives affecting Aboriginal peoples. Secondly, to promote, develop and expand the provision of culturally appropriate primary health care through local Aboriginal community controlled health services. Within that I can elaborate in a little more detail as to the areas of work that we undertake. I think this is one of the questions that you are going to ask, so perhaps I should answer that question now?

CHAIR: Starting with the first question then. How do you think that the services can be best provided?

Dr COUZOS: The Aboriginal peoples of Australia through their Aboriginal community controlled health services have answered that question. These services were established more than 30 years ago. They foreshadowed the Alma-Ata World Health Organisation declaration on primary health care. They are the torchbearers of primary health care in Australia. This was a comment made by a spokesperson of the Department of Health a few years ago. They truly do exemplify comprehensive primary health care provision in Australia, more than any other primary health care providers.

The services are obviously accessible to Aboriginal peoples. They provide the vast bulk of primary health care to the Aboriginal population in Australia. They are culturally appropriate by definition. They are relevant to the health needs of Aboriginal peoples because their health service delivery mechanism and the services that are provided are specifically developed according to the regional plans and the needs identified within the community. They are accountable to the Aboriginal community because each Aboriginal legal service or community controlled health service has an Aboriginal board membership structure.

So community members feel they own the service and can influence and direct it. It is a truly democratic process in how these services are run. They are culturally safe. They are mediators of social change, which is absolutely vital. In that process they build upon the capacity of the community and because the large proportion of the staff employed within these services are Aboriginal—70 to 80 per cent of the staff are Aboriginal—they are therefore sustainable. The services are provided by local

community members and not by fly-in and fly-out service providers, or non-indigenous peoples that have short-term tenure and move from town to town. On that basis they are sustainable and deliver comprehensive primary health care.

An important aspect about being mediators of social change is that there is international evidence that appropriate primary health care provision can act to mitigate social inequalities. Whilst there is a fundamental requirement to improve housing, education, employment and all those other social determinants of health, primary health care services are absolutely vital because they can improve health in the continuing presence of social inequalities. This is a proven element of good quality primary health care services. May I make the point that the first service was established in 1971 at Redfern in New South Wales. The service was established in response to the provision of inadequate health care to the Aboriginal population, which were inaccessible, and also to the racism that was highly prevalent at that time in 1971 and prior, and continuing to this day in many respects.

The Hon. TREVOR KHAN: Yesterday we met with a number of people who gave evidence to this inquiry. I do not wish to generalise too far, but it would be safe to say that virtually everyone who came before the Committee told us their projects and programs are doing a wonderful job. Whilst clearly that evidence was given genuinely, we are confronted today with the knowledge that— notwithstanding all the evidence that these programs are doing a wonderful job—there are huge gaps in social inequality, life expectancy, infant mortality, unemployment or employment rates, and educational outcomes.

My impression is—and I intend to say this to every witness who appears before the Committee—if everyone is doing such a wonderful job, it does not appear to be reflected in what you could call the performance indicators. I make that comment, and I hope you understand I say it passionately. It seems to me that what we have heard from so many people was akin to a public service speak: the words were just brilliant but the outcome to me seems to be appalling. I am not being rude when I say this to you, and I am not being personally critical, but in the context of what we know the outcomes are, how do you say that essentially the organisations that you represent are producing an effective outcome?

Dr COUZOS: There is a number of ways to answer that question.

The Hon. TREVOR KHAN: The world is your oyster.

Dr COUZOS: If there were no Aboriginal community controlled health services, there would be a massive explosion of costs in the hospital-healthcare sector. This has been demonstrated in an independent analysis of the cost effectiveness of Aboriginal community health services, particularly in the Northern Territory. They are already saving upstream—that is, in the hospital sector—tertiary level costs with the preventive and primary health care they are delivering. In terms of the results, there would be no question that the health outcome indicators would be a lot worse if there were no Aboriginal community controlled health services. Despite the fact that these services are doing a very good job—a much better job than any other primary health care provider in Australia—there is still a need to drive health outcome results to close the gap.

That is a manifestation of a number of factors. Of course, there is also social disadvantage. Even though services act to mitigate social inequalities, there is obviously a need to address them through housing, education, employment and so on. That goes without saying. You will never close the life-expectancy gap unless those things are addressed. Nevertheless, you will make a significant contribution to health outcomes if there are appropriately resourced primary health care services. The question then follows: Are they functioning to their optimal effectiveness and are they meeting community and health sector needs? The answer is no. That is because they are underresourced. There is tremendous evidence showing that; inquiry after inquiry has demonstrated it.

The Commonwealth Grants Commission inquiry into indigenous funding demonstrated it; the Health is Life report by the House of Representatives also demonstrated it; and there is no question that independent analysis has demonstrated it. Access Economics recently calculated the shortfall in funding for indigenous-specific primary health care to the order of \$460 million per annum. An Australian Institute of Health and Welfare analysis of health expenditure shows that for every dollar expended through the Pharmaceutical Benefits Scheme for a non-indigenous person, only 30¢ is

expended on an Aboriginal person. That is regardless of whether they are in a remote part of Australia or an urban environment. In fact, access to pharmaceuticals for urban Aboriginals is far worse than for remote area Aboriginals because there is no equivalent to the section 100 access scheme operating in remote Australia, which has revolutionised access for indigenous peoples living in those regions. We have an unusual situation wherein we have a very effective policy that has boosted medicine access in remote areas, but disadvantage continues in urban areas. That is evident in the expenditure statistics.

The other aspect with regard to indicators relates to how Australia measures its responsiveness to the needs of Aboriginal people. In many respects it is flawed. We tend to look at health status indicators as a measure of progress. However, we do not look at indicators of action. The human rights terminology for this is that the Australian Government's obligations are twofold; that is, obligations of conduct and obligations of result. We tend to look at the result side of things without assessing as a nation whether we are fulfilling the obligations of conduct in terms of service provision to meet community needs. That is where we are failing. There are insufficient measures with regard to the obligations of conduct. We have statistics showing that primary health care expenditure is insufficient to meet those needs. They need to be boosted according to appropriate need so that services across Australia can boost their capital infrastructure. That is part of the Close the Gap campaign

We have met with the Office for Aboriginal and Torres Strait Islander Health, which provided this information. At least \$150 million is needed just to boost clinic infrastructure within these services across Australia. That is just infrastructure. How can a service move forward to meet the needs of the community if it does not have enough clinic space and is experiencing difficulty employing doctors because there is no room in their clinic? Many infrastructure issues need to be addressed. While they do a good job, they are not supported enough to provide the optimal support necessary to meet the needs of the community.

CHAIR: That is health infrastructure.

Dr COUZOS: Yes.

The Hon. TREVOR KHAN: That answers my question.

The Hon. MARIE FICARRA: If anyone wants to know what is really going on in regional and rural Australia, they should talk to rural doctors. I spent time working in women's health in cervical cancer screening and related areas. I was horrified by the low incidence of screening of indigenous women, amongst other things. I concur with everything you said. Doctors in the area will confirm that the proper way to deliver service is with people trained to be culturally sensitive—the majority of them from an indigenous background—who live locally and know the people, who are steady and who have great relationships and interaction. I personally support that.

A great deal needs to be done in preventive health to deal with diabetes, heart disease, arterial disease, kidney failure, glaucoma, cervical cancer and breast screening and so on. Where do you think the resources should be put? Of course, dealing with infrastructure, building better clinics and having the space for people are important, but what are the major areas we should look at when we visit regional areas? Where are the needs?

Dr COUZOS: You are certainly correct in highlighting those issues, with the exception of glaucoma—it is not a particular problem in the Aboriginal population. Eye disease, early onset cataracts and trachoma are major issues. All of those health issues, their prevention and early detection are core functions of primary health care. You cannot move away from the provision of primary health care. If there are appropriately resourced services and workforces, they provide outstation visits to surrounding regional areas and communities. As well as the ancillary benefits of the existence of those services, which I outlined—that is, the cultural appropriateness, capacity building, education and training and so on—they will deal with the prevention issues. The prevention of those health issues is their core business. Health promotion is core business for primary health carers and that is built into the structure of the delivery of services.

On top of that there is a responsibility for State and Federal governments to support population health initiatives, which are also called primary health care, and that is also their core

business. Services cannot do everything and there needs to be an additional effort, for example, in tobacco control. The instruments of government should be used with regard to tobacco control to create behaviour change and so on. There are also the cervical cancer and the breast screening programs that are supported by the State. These sorts of population health approaches on top of core primary health care provision are vital. While we have those sorts of State and Federal programs—and the States are funded through the Federal Government's public health funding outcome agreements—those programs have very few accountability mechanisms to target the Aboriginal population.

So, although this is a mainstream program for every Australian, they tend not to reach the Aboriginal population as much as they should, and there is no accountability for whether they do. Reports and analyses of breast screening programs repeatedly illustrate much lower early detection rates for Aboriginal women. The cervical cancer prevention program is also a problem. In fact, we have been able to scrutinise that program even less, because it does not collect any statistics about aboriginality.

The Hon. MARIE FICARRA: That is correct; they do not distinguish.

Dr COUZOS: They are supposed to meet the needs of the most disadvantaged population. Aboriginal women have much higher rates of cervical cancer than non-Aboriginal women and they are far less likely to access a pap smear. Although they have a responsibility to target needy peoples, they do not measure whether they are achieving that. It doubles the disadvantage; it is terrible. We need primary health care, population health programs and a health system—such as Medicare and the Pharmaceutical Benefits Scheme—that can address the needs of marginalised peoples.

Dr JOHN KAYE: Evidence suggests that Aboriginal community controlled health delivery has measurable benefits beyond mainstream control. We all know this to be true, but it would be useful for the Committee to know what evidence you have for that. In particular, Harvard University conducted a study of North American indigenous populations. Most people quote that study to me.

Dr COUZOS: Yes.

Dr JOHN KAYE: My question is: Do we collect evidence that shows there are health benefits and other benefits from Aboriginal controlled health services? Secondly, do you see the overseas studies, particularly from New Zealand and North America, as being relevant to Australia? These are Dorothy Dix questions. They are not in any way to be seen as hostile to your organisation, which I support strongly.

Dr COUZOS: I think the international evidence is valuable in that the key principles that emerge from them, if there is self-determination of Aboriginal people and the involvement of the population in the needs to be met in the design of programs and policies, there is no question that that leads to better health policies and programs and leads to better health outcomes. So, those principles are recognised internationally and of course they are relevant in Australia. The adaptation of programs might be different but the principles that underpin them are very relevant.

Regarding what you term the evidence with regard to the effectiveness of primary health care services, Aboriginal community controlled health care services, there is evidence that is collected regarding the services they provide and that is collected through the service activity reporting instrument that is run by the Office for Aboriginal and Torres Strait Islander Health and NACCHO, and this was an instrument that was developed at the request of services as well because they wanted data to be collected from them so they could ascertain the breadth of service provision they could provide, and also to act as an instrument to highlight gaps where they could be supported to enhance the delivery of their services.

Information from that annual survey demonstrates very clearly that the breadth of services provided through these services is much broader than private general practice, that they deliver much higher episodes of care to Aboriginal people than private general practice—that is contacts with the health system—and that they are much higher employers of Aboriginal people than any other health sector, including population health structures. Also, independent analyses published in peer review journals have also confirmed that the breadth of service provision is much greater in these services.

If you are a doctor, for example, within an Aboriginal community controlled health service, you will see far more complex health problems and problems that require a longer consultation time, and diseases and health issues that you are highly unlikely to see in a mainstream private practice. The degree of complexity is much higher, consultations take longer and both services access Medicare. So, because of a broader range of health problems and the complexity of the health problems in an Aboriginal community controlled health service, Medicare can never fully resource such a service. So, if you are an Aboriginal medical service, Medicare cannot cover your running costs—it will never be able to cover your running costs—because it is not structured in a way to support the needs that Aboriginal people have in the design of that service. Private general practices do not deliver comprehensive primary care; they deliver primary medical care.

CHAIR: What kind of support do Aboriginal community controlled organisations want from the Government?

Dr COUZOS: What is required is increased funding for capital infrastructure and for recurrent costs. That is to employ a workforce of the level required to meet need. These services have established and completed regional plans across the country with the support of the Office for Aboriginal and Torres Strait Islander Health, and these plans indicate what needs to be done, where are the gaps, where is the growth that is needed to support these, but there has never been Federal level expenditure to fully implement these plans and deal with those needs.

CHAIR: So the amount of funding that is needed, we are talking about \$150 million for infrastructure. I think there has been some indication from your organisation of funding of about \$350 million. Can you comment?

Dr COUZOS: Yes. The \$460 million is the estimate that Access Economics has calculated, which refers to the cost required to deliver primary health care. Of that there would be capital infrastructure as well as recurrent costs for workforce and additional costs. Seventy per cent of the cost in running an Aboriginal health service is in workforce, employment, which is pretty standard.

CHAIR: And ongoing skills and training?

Dr COUZOS: Skills, training, and additional costs with regard to equipment, and so on.

CHAIR: And culturally appropriate training?

Dr COUZOS: Definitely, yes.

The Hon. MARIE FICARRA: Could we get a copy of those action plans if they are already formulated?

Dr COUZOS: You would have to approach the Office for Aboriginal and Torres Strait Islander Health to access those at State offices. You might be able to access them at the New South Wales State office for information with regard to that.

CHAIR: Could you give us your thoughts on what the key health issue is for Aboriginal people?

Dr COUZOS: The answer to that question is on the basis of health conditions and diseases or the key health policy issue that is a key priority. The key health policy issue—and I am sorry to have to repeat this—is again access to primary health care. There are ways forward to this. They are not insurmountable, it is not difficult, it is just that there has not been the political will. There has been a reluctance by the former Federal Government to progress this issue. The underlying ideology of the former Government was based on the premise of mainstreaming health services so there was a move away from the importance of and support for Aboriginal community controlled health services, even though the Federal Government had signed up to the national strategic framework for Aboriginal and Torres Strait Islander Health, which states that the primary vehicle for the delivery of comprehensive primary health care is through Aboriginal community controlled health services.

So, there was a lack of political will and a reluctance on the part of the former Federal Government to progress this issue. Originally there was enthusiasm and support but it waned and there was a stalling of the process of building the infrastructure for these services. That problem needs to be addressed, and the current Federal Government needs to support that process, as is recognised by the national strategic framework.

CHAIR: Can we get a copy of the Access Economics report? Is it public?

Dr COUZOS: Yes, it is. I can refer you to the Australian Medical Association website. Access Economics was commissioned by the AMA and the report is on its website.

The Hon. MARIE FICARRA: What is the AMA's opinion of what your organisation feels the needs are? Is it supportive of the views you are espousing here today, do you believe?

Dr COUZOS: Yes. Just yesterday I had a series of words that had been given to me by the president of the AMA, Rosanna Capolingua. I do not have them with me at the moment but in essence the statement was that the AMA is supportive of Aboriginal community controlled health services and the need for Aboriginal people's enhanced access to primary health care.

The Hon. MARIE FICARRA: That is a huge step.

CHAIR: Can we just have questions.

The Hon. GREG DONNELLY: Could you please explain to the Committee how your organisation interfaces with New South Wales Health?

Dr COUZOS: Yes. Being a national body we also have State bodies. In the State of New South Wales the Aboriginal Health and Medical Research Council is the affiliate of NACCHO. We call the State bodies affiliates. So, it is the membership, the formal relationship we have with the Aboriginal Health and Medical Research Council.

The Hon. GREG DONNELLY: On an ongoing basis, on a day-to-day, week-to-week, month-to-month basis, how are the workings with and cooperation with New South Wales Health and vice versa?

Dr COUZOS: Representatives from the AHMRC attend all NACCHO board meetings and we have quarterly board meetings. Day-to-day interaction is usually through the usual mechanisms, electronic communications, telephone communications, as required, and vice versa. The AHMRC back to NACCHO for advice and assistance, and the other way around.

The Hon. GREG DONNELLY: Is the ongoing level of dialogue and cooperation with New South Wales Health, in your view, at a satisfactory level?

Dr COUZOS: Absolutely. By New South Wales Health you mean the New South Wales health government or are you referring to the Aboriginal Health and Medical Research Council, that NACCHO is an affiliate of?

The Hon. GREG DONNELLY: No, the Government, the department?

Dr COUZOS: I cannot comment on the department. I misunderstood your question. Relationships between the AHMRC and NACCHO are optimal because they are our members, but between NACCHO and the New South Wales Government we do not have a direct relationship in that way in delivering our programs and policies and activities. We work through the New South Wales State affiliate. It is the affiliate that engages with the New South Wales Government.

The Hon. GREG DONNELLY: But, as far as you know, that working relationship with the affiliate is a satisfactory one?

Dr COUZOS: I cannot comment on that.

The Hon. MICHAEL VEITCH: Throughout the submission we have received there is a discussion around the concept of wellbeing of Aboriginal people. Can you talk us through that? What is NACCHO's view of the concept of wellbeing?

Dr COUZOS: NACCHO has a definition of that which has been widely quoted by many health providers and organisations. I am sure this Committee is familiar with that but I can read it out just to put it on the record. NACCHO defines Aboriginal health as not just the physical wellbeing of any individual but the social, emotional and cultural wellbeing of the whole community in which each individual is able to achieve their full potential as a human being. That definition, as I said, is used widely.

The Hon. MICHAEL VEITCH: I have a question about how you engage people with programs tailored for them. Do your members have more issue in engaging the males as opposed to the female Aboriginal people or is it the other way around? Which gender imposes the most problems to engage?

Dr COUZOS: You mean the individual services with the provision of health care to clients?

The Hon. MICHAEL VEITCH: Yes.

Dr COUZOS: Yes. It is more difficult in providing health care to the male population, but the service is designed in such a way to recognise that problem and address it. It is best equipped to deal with that, and many of our members services, having recognised that, have developed men's health programs, and particularly the chair of that organisation, NACCHO, has had a strong role in providing men's health. It is really vital for the Aboriginal leadership to do that. So, whilst there is not any national or Federally supported specific men's health program, it is incorporated as part of core comprehensive primary health care within our members services, as are women's health issues and antenatal care. So, each service will recognise their own clients health needs and priorities within that region—they vary and may be different—and address and develop programs as part of their core services.

The Hon. MICHAEL VEITCH: My other question relates to the governance of the individual community health organisations. Do they have different models of governance or the same model? Are people appointed or elected?

Dr COUZOS: Generally it is a similar model. There is a definition of what is an Aboriginal community controlled health service and part of that definition is that there is an election, an Aboriginal board and that members are elected by the community and represent the community. So whether there is any variation in how that is done, ultimately the principle is there is a democratic and representative process at the community level, which is a fundamental principle.

The Hon. GREG DONNELLY: I have a final question. A theme that came through yesterday from various witnesses to the Committee and that came through some of the things that you have said today is the notion of community that suggests that there is some uniqueness. We need to look at each Aboriginal community as being unique and different from others and we need to tailor to some degree the health service and other areas such as education, employment and what have you. Looking at it through our eyes, we struggle with this notion. In terms of health delivery, it is a very homogenous system. So there is a bit of a cultural clash in the sense of looking at things from a unique almost community point of view compared with the way in which we deliver health care. I am not clear in my mind as to whether there is any midpoint. Is every community unique? Do we need to look at things in such a unique way in every instance? Given that we obviously cannot simply apply the straight-out homogenous model, is there a midpoint?

Dr COUZOS: I see the point that you are referring to. I think that the answer is that there are some elements of primary health care that are core and that in order to meet the needs of any population you need to have core elements. The WHO has defined this; it is well known. These are things such as antenatal care, access to medicines—these are core issues. Then within each community that the service has been established to support there are, as you say, aspects to those needs that might not be apparent elsewhere in other regions. So services have adapted to do that. They have identified what they are and have incorporated their services to try to meet those needs.

For example, if there is a high substance abuse issue in a particular region there might be substance misuse programs that that particular service might have developed specifically to meet the needs of youth in a particular region. Whereas another service might identify that acute rheumatic fever is a major problem. It is not so much of a problem in Victoria but it certainly is in the Northern Territory, Western Australia and North Queensland. So the approaches would be different in that respect. But a certain issue would be core. So there would be a need to address the flexibility of service delivery depending on the needs of a particular region but certain things would be core.

The Hon. GREG DONNELLY: But if we use the analogy that a rising tide will lift all the boats and there are these core issues that we need to look at because there are deficiencies in these core areas in a number of places, within the Aboriginal communities is there an understanding that that is the way to proceed to try to get these core issues addressed in the first instance or do they want to do that and deal with these other matters in conjunction with that? I appreciate that ideally we would like to deal with all of them simultaneously and concurrently. But as an overall objective is not raising everything to the core the first priority across the board?

Dr COUZOS: Absolutely. I think that is basically what we have been discussing today: core primary health care needs to be supported in the first instance. Once you have that you can do almost anything.

The Hon. GREG DONNELLY: Would you say, as a general comment, that that has not been the focus up till now?

Dr COUZOS: No, it has not because of Federal Government funding. Our member services are reliant on Federal Government funding. Some receive State Government funding but the vast bulk of it is Federal Government support. They are very highly reliant on that. There has been a tendency for incremental increases, if any, in terms of supporting these services. But the level of incremental increase has not been in keeping with overall health budget increases. Independent analysis has shown that, while the budget has increased, the gap has not closed.

The Hon. MARIE FICARRA: I have a quick question about two areas of concern. Yesterday we heard from NSW Health that it is doing such great things with antenatal care, pregnancy health, postnatal care, maternity care and early childhood care. We know how important that is for the future—not just for one generation but multiple generations—in terms of social impact and education. Are you seeing that on the ground? Is your service organisation seeing those positive things that are so important? Are the strides or the improvements that we heard about yesterday being seen by your organisation? The second area is dental and oral health.

Dr COUZOS: I cannot speak specifically for the New South Wales situation but I think from a national perspective and in terms of the Federal Government's response to the need for services to be able to provide antenatal care—I hope I am going in the right direction to answer this question—the Office for Aboriginal and Torres Strait Islander Health, recognising that there might be a lack of capacity of services to deliver a core requirement like antenatal care, funded the provision of some exemplar sites—the Townsville Aboriginal and Islander Health Service being one—and gave them the required funding to establish antenatal care programs and to evaluate their outcomes. Out of that exemplar site initiative came the outstanding results as published in the peer review literature of the mums and bubs program, which showed an increase in birth weights of infants, improved perinatal outcomes and so on. One would think that as a result of this initiative there would be a massive boost in funding to services that need it out there so that they could deliver similar mums and bubs programs.

There was not anything particularly magical about the mums and bubs program; it was just core principles. It was just a process of being able to employ more doctors, being able to have more Aboriginal health workers on staff, setting up specific antenatal clinics and arranging the clinics in such a way that women felt comfortable in approaching the health service so that it was separate from the sick areas of acute healthcare need. They were just basic principles. But instead the approach that was taken was to fund in the Federal budget, I think of 2005, the Healthy for Life Program. Whilst on first examination that was tremendous—I think it was an amount of \$103 million over four years, which was a substantial amount of funding; more than what had been seen in previous budgets but

certainly not enough to meet the needs—and that program has been rolled out and welcomed by many services, many services have rejected it.

There are aspects to the way that it is being rolled out that are quite different from the exemplar site initiative. The approach that has been taken is a quality improvement approach. So it is quite a complicated program that not necessarily just boosts the capacity of the services to deliver antenatal, maternal and child health services but also is targeting chronic disease and has tremendous data requirements from the services. So a large proportion of the funding and the effort from the services is directed to getting their IT systems up and running, employing data personnel and so on. So there is a diversion of activity away from core maternal and child health. I could talk at length about this issue but the point I am making is that this has benefited only a few services and the issue of core maternal and child healthcare provision is still outstanding.

The Hon. MARIE FICARRA: That is a lack from the Federal Government. I acknowledge that. It should be an area that the new Federal Government looks at. But the point is that NSW Health told us that it is doing spectacular things in this area that it acknowledged was so important and so neglected. I would love to know—even if you could get this information to us—whether we are seeing this on the ground. It is so vital. Are we seeing any improvements delivered? We are a State Government and we can do only so much to influence the Feds—that is your job. But we want to know whether we are seeing an increase in resources from NSW Health. If you do not know offhand perhaps you could get back to the Committee with that information, and also about oral and dental health.

Dr COUZOS: No, I cannot unfortunately. It is a very good question but I think the Aboriginal Health and Medical Research Council would be best placed to answer it.

Dr JOHN KAYE: I have a quick and slightly difficult question. Can you comment on the quality of governance of Aboriginal-controlled health services? We hear, and tend to reject, stories that come out. It would be useful for us to know how you think they are travelling out there.

Dr COUZOS: I think that like a lot of aspects of Aboriginal issues the media tends to exaggerate the issues. There is a politicisation of some of this information that comes out and a tendency to vilify Aboriginal peoples purely because it is an Aboriginal issue. I think that is an important opening statement. Many organisations have management difficulties yet they are not often broadcast to the same degree. Because it is an Aboriginal organisation that is having difficulty it is exaggerated out of proportion. We need to put it into context.

I do not have specific figures but I think the Office for Aboriginal and Torres Strait Islander Health has. But out of 140 services most of those services are small, highly underresourced and do not have enough capacity even to employ a doctor. So there is a tremendous need out there to boost these services' management capacity, clinical infrastructure and so on so that they can fully function as appropriate services. But for those services that can employ a doctor, are large enough and receive a reasonable level of budget—again, the office has these figures regarding the size of these services and their budgets—the vast bulk of them are functioning extremely well. Again, I cannot give you an estimate of how many services might be struggling with their governance structures. But even if there is a service that has difficulties with governance, like any organisation there are unique issues. They are internal matters and they are often very readily addressed.

Dr JOHN KAYE: Thank you.

CHAIR: Do you think the objectives of the National Aboriginal Health Strategy are achievable?

Dr COUZOS: The National Aboriginal Health Strategy or the national strategic framework?

CHAIR: The national strategic framework for Aboriginal and Torres Strait Islander people.

Dr COUZOS: Yes, they are achievable. There are two problems. One is the gaps. The National Strategic Framework for Aboriginal and Torres Strait Islander Health has a number of gaps. We have tried to address those gaps through the Equality in Health Plan, which I think has been

provided to this Committee. This is a plan that has been developed in conjunction with the Human Rights and Equal Opportunity Commission, Oxfam and a number of partners, including 14 agencies that have endorsed the plan. In that plan, which has been developed as part of that process, the gaps in the national strategic framework are highlighted.

The other problem with the national strategic framework and its recommendations is that the approach has been too incremental. Whilst the intent is there—and recently the strategic framework has had its implementation plan revised so that it now covers a span from 2008 to 2013—the way forward is too slow and there are no explicit targets set for reaching those key result areas. So while the intent is, for example, to support services so that they can deliver core primary health care, there is no expenditure target to meet that need and there is no specific mechanism of accountability to assess whether that strategic framework will over time actually reach that particular goal and that intent. So it is a statement but it does not have any push momentum, and nor are there specific targets for accountability.

CHAIR: So if you were given a blank cheque on the question of what you think should be done in terms of access, skills and training, funding and bodies, what would you tell us we should do?

Dr COUZOS: The answer to that question is really summarised in the National Aboriginal Community Controlled Health Organisation [NACCHO] quality and health plan, which is why we drafted it. It really was to provide to this new incoming Government and to the public the way forward in a simple expression of where the areas of activity should be in order to close the gap. One of the primary requirements there is appropriate expenditure for primary health care. But then a whole range of goals is outlined in that. I think there are eight or nine goals.

CHAIR: I congratulate you on your very comprehensive documents.

The Hon. GREG DONNELLY: Question No. 5 on notice relates, I suppose, to my question. Do I take it that the answer to that question is no; that there has been no discussion between your organisation and the New South Wales Government and that discussions take place at the State level?

Dr COUZOS: Yes, correct.

The Hon. GREG DONNELLY: So we need to speak to them?

Dr COUZOS: Exactly.

CHAIR: We really appreciate you being with us today. We will be doing an interim report halfway through the year and a final report later in the year. We hope to be able to call upon you again to give us more information. Thank you very much for appearing before the Committee today.

Dr COUZOS: Thank you very much. I failed earlier to mention that our Chief Executive Officer, Dea Delaney Theile, sends her apologies. She could not be here today because she had to be in Canberra for the national apology. So she says sorry.

CHAIR: Today was an extremely important and momentous day.

Dr COUZOS: Thank you.

(The witness withdrew)

TREVOR CHARLES CHRISTIAN, Chief Executive Officer, Aboriginal Legal Services ACT/NSW, 456 Station Street, Parramatta, sworn,

JOHN MCKENZIE, Aboriginal Legal Service, Suite 4, Level 456, Station Street, Parramatta, and

TERRY CHENERY, Executive Officer, Aboriginal Justice Advisory Council, Level 2, Justice Precinct Offices, 160 Marsden Street, Parramatta, affirmed and examined:

CHAIR: Thank you very much for your attendance today. I acknowledge that we are meeting on Gadigal land and we pay our respects to the elders, past and present. Do you wish to make an opening comment to the Committee and we will then go to questions?

Mr CHRISTIAN: First, I wish to outline to the Committee the role of the Aboriginal Justice Advisory Council [AJAC] and the Aboriginal Legal Service [ALS]. The role of the ALS in New South Wales is to defend Aboriginal people in a cultural and appropriate way. I do not know whether you all know but about 20 months ago we had six legal services in New South Wales and the Government said that we had to amalgamate. So we came together and tendered as one legal service in New South Wales. We are now performing as one legal service in New South Wales. We defend Aboriginal people in all courts across New South Wales in the way of family law and care proceedings, and our core business is criminal.

You have probably heard of me before. Our first line of call to our Aboriginal people are field officers and other people that we have brought on board as family violence contact officers, if that is needed, and then they are immediately passed on to our solicitors. We have approximately 90 solicitors amongst those people that we employ all across New South Wales in criminal courts and care proceedings. We are not that lucky to have that many family law people. That is very skinny because we have funding shortfalls.

Mr CHENERY: The New South Wales Aboriginal Justice Advisory Council is an independent arm of government housed within the Attorney General's Department but we are funded by the Attorney General's Department as well as the Department of Corrective Services, the Department of Juvenile Justice and public services to the tune of about \$600,000 a year. We have a full-time equivalent staff of five to cover the State but we also have the committee or regional members of the six former Aboriginal and Torres Strait Islander Commission [ATSIC] regions in New South Wales representing people at a local level. Our main brief is to implement and monitor the implementation of the Aboriginal Justice Plan [AJP], which was the precursor to the Two Ways Together strategy, which in many ways has been very problematic for us as a group, both members and the executive unit.

As I said, we have the full-time equivalent of five people who are all public servants, whereas the committee or the members are ministerially appointed. So we go outside our funding agencies in relation to our ability to monitor and implement the AJP. But it is obviously a different exercise with a small unit not having mean data or compellability for agencies to respond to us. In particular, with the realignment of Two Ways Together with the State Plan, it has become increasingly difficult. Our main brief is to reduce the number of Aboriginal people who are incarcerated, but we see our role as implementing the Aboriginal Justice Plan—implementing the seven strategic directions. We include justice to be everything basically from pre-natal, antenatal up until death and everything in the middle, including education, health, housing and employment. As I said, at this stage we are finding it quite difficult to do so because of the plethora of plans around New South Wales, which I think are probably one of the most problematic areas for us.

CHAIR: What is the key challenge for improving the life expectancy of Aboriginal people?

Mr CHRISTIAN: Health is probably the first one and then there are education and housing. The lady from the National Aboriginal Community Controlled Health Organisation [NACCHO] who spoke earlier gave you a pretty good outline of what really happens in Aboriginal communities throughout Australia. I think we all agree with what the lady who spoke earlier said about what we have to do to improve this gap between Aboriginal people and the Australian people, with a better health system and whatever.

Mr CHENERY: I would say the answer is probably twofold. Initially—and this is probably the answer to most of the questions on the list—is an education system that is going to invite children to engage actively. Access to services is all about the ability and confidence to engage with both individuals and agencies, and without that confidence there is an inability to walk through a front door and stick your hand up and say, "I need help." There is an inability to access simple measures such as the Internet; the trust and the capacity to communicate with your local GP and your local casualty section, regardless of whether it is an emergency department or whatever.

The challenge, of course, is getting a kid into school and keeping them there and then engaging them, and the difficulty is the way in which, I believe, the syllabus is taught. It is all well and good to teach a kid physics, but at the end of the day if you want to go out and kick a football you have to engage them in that way. An example of that would be: "Do you like kicking a football? Work out velocity and work out the distance travelled." I think the way and the manner in which it is taught is paramount in that.

As I said, the second part of that is the access to health services. If you are not a person who has the ability and the confidence to walk into a system—and, let us face it, it is a very big system—the difference between the metropolitan area of Sydney and 30 or 50 kilometres away over the Blue Mountains is totally different again. I think this will be a recurring theme in getting through this. Many of the problems with that are the overlapping and multiplicity of regions throughout New South Wales, so service delivery by a multidisciplinary team is almost impossible.

The Hon. MICHAEL VEITCH: You made a comment about confidence to access services, or the need to engage with services. What do we have to do to increase the confidence of Aboriginal people to even just walk in the door of a place or access an Internet portal that has some information on it?

Mr CHENERY: To be honest, I think the answer to that lies in probably the last 15 reports. Having said that, if your communication levels are not up to scratch and you walk into an emergency department and they say, "Just take a seat, we will be with you in a minute", whether it be a minor injury—which obviously it would be if you are not coming in on a stretcher—you are going to sit there and wait, and that is acceptable to some degree. When you see people coming in before you—I will use the example of health—and you say, "Hang on, I was in line first", the communication needs to be there. From a triage point of view, this person needs treatment before you, but there is not any of that and there is then a lack of confidence to say why. There is a lack of dialogue between people, particularly in remote and country areas, where generally we are looking at a stereotypically Anglo-Saxon background, professional base. That then loses that trust, and that trust then is the confidence, and they go between the two.

In order to increase the trust and confidence there is the education. In my mind, that is difficult to engage and complete with anyone perhaps over the age of nine or 10 years old. I think you are losing that above that age. There needs to be some acceptance that there is an end point, that we must say we need to concentrate on early intervention. Over a generation you will have kids saying, "I am confident to stick my hand up, and I want to be assertive but not have that taken as being aggressive." That is the two-way dilemma you have.

Mr CHRISTIAN: I would like to add to that. We have a great problem in Aboriginal communities, not only in New South Wales but all around Australia. I think I spoke to you about this the last time I was down here. We have a floating population in New South Wales. Up in the Northern Territory or in the high part of Western Australia they call them the long grass people, and they move around. These Aboriginal people still move around to a large degree. In New South Wales we have estimated that we have between 8,000 and 10,000 people floating around New South Wales at all times. They can be here in Sydney today, they can be in Brewarrina tomorrow, and next week they are back up there living, or they can be in Wagga Wagga or Sydney next week, or wherever. It is very hard to monitor what is really going on with this floating population. We have the same problem with housing, we have the same problem with health, and the same problem with education. That is one of the big difficulties.

CHAIR: Where are we failing then? Over the last 30 years, we know the problems. As you say, we have had all these inquiries coming up with the same issues and problems. Is it just a question of resources and money?

Mr CHRISTIAN: I believe there is a big shortage in housing. I believe the Government has done the wrong thing in moving people away from their tribal areas, where they are still suffering from a lack of education, health and housing. They have moved them away from there into resettlement areas. Probably the three biggest resettlement areas in New South Wales are Albury, Wagga Wagga and Bathurst. We know through the legal service how the population has jumped out of the ground; they have come from the north-west of New South Wales, from places like Brewarrina and Walgett, and they are resettled from those parts of the State.

I think if they were properly housed in the places where they come from, they would stay there and probably be a lot more settled in their own communities. You read the paper and hear about different problems in communities. We face the same thing as a lot of other communities. There are a lot of factions in our tribal areas. Whether you come from Bundjalung, Wiradjuri, or wherever, there are still all those big factions in our communities, and we will only be able to overcome that with better education services for those Aboriginal people.

The Hon. MICHAEL VEITCH: You make an interesting point. I come from Young, which is Wiradjuri country. The Aboriginal health worker was Ngunnawal. A lot of the Wiradjuri elders would not go to her because she was Ngunnawal. There is an issue of confidence concerning the government-provided services. But how do we overcome the factions within the Aboriginal communities, as you call them?

Mr CHRISTIAN: I think it is communication again. I do not know whether you are aware of Bathurst prison. I have worked in the prison system probably since 1968. If you go into Bathurst jail, where there are nearly 400 Aboriginal people out of 500 prisoners, as soon as you walk in the main part of the yard you can tell the factions straightaway. One lot is over there, one lot is over there, one lot is over there, and some are right in the middle. That is in the jail—and you would think it would be a lot tighter-knit in the prison system, but it actually happens in our communities as well.

Mr CHENERY: The confidence you speak of is quite correctly discussed. I think the education component of my original point probably further enhances that. The moment you have kids coming through school and sticking their hand up and saying, "I want to be a physiotherapist, I want to be a doctor, I want to be a wards staff", or whatever, particularly in country areas, you will maintain the link with your traditional country because there would be the prospect of a job there for you.

We do not identify early in the piece what children want to do; we give them texts and we say, "Learn the text." At the end of the day, if your kid is good with their hands and they like cars, why not get in early and say, "Do you want to be an apprentice motor mechanic, or do you want to be a panel beater?" If they are a caring, sharing kid and they like doing that, why not say, "You could be this, or you could be that." Generally we have quite a low expectancy, which is sad. I am not saying that from any point of view of inadequacy at all regarding our teachers; I think it is an incredibly difficult profession to be in. But, at the same time, it is very difficult to try to teach a syllabus and at the same time look at the individual and say, "This is where you could go." If the staff at the hospital had kids coming through that wanted to work there ending up being there, you would have different jobs for different people in different community factions working together, hopefully. That is the broad aim. But, again, it comes back to the ability of a child to maintain the education system, and the system to maintain the child.

The Hon. TREVOR KHAN: I put this to you. Late last year I had the opportunity of meeting with a number of Aboriginal teachers. I will not disclose the location because it makes it more difficult. A number of them had come from various areas in western New South Wales. The message that I think three of those teachers gave to the suggestion that they could go back and teach in their own community was "Don't do that to me. I will not go back there. I will not take my family back to that location." It was a common theme that they were reluctant to return to where they had grown up.

I suggest to you—and I invite all of you to comment—that part of that was that they recognized the fundamental social disadvantage of the area they came from. It was poor, it had very bad unemployment, and it had a lot of the social issues that we all know affect Aboriginal communities. But another factor was that they perceived that they had got out and they saw it as a retrograde step to return to their own community. The final factor was the antagonism that they were concerned would be meted upon them by members of their old community because they had, in a sense, risen above some of the disadvantage. Are those three factors a fair assessment of what those teachers would fear?

Mr CHENERY: It is a very real problem in every profession across the board, particularly in government agencies. I am not going to say that public servants already earn enough, but at the same time in a remote community it is quite well paid; the grading system is quite good. Yes, your three points are all true and correct. The answer I would give to that is the answer I give to most committees I sit on: it is critical mass. There comes a point where there are sufficient numbers of people in that town in the same boat, where there is not the great divide. That is the difficulty when you have five people in a community who are paid X amount of dollars and 1,000 people who are reliant on Centrelink benefits. When you have 200, it is a totally different story, because then you also have the economics of people having money to spend in that community, which then promotes employment and then people have an aspiration. There will be a time in the middle when that occurs, and it is going to take a brave person to take the first step to do it.

The Hon. TREVOR KHAN: You are right. But if you look at communities like Wilcannia, or even Brewarrina, you are never going to get a critical mass of 200 people there in those circumstances, are you? The towns are not big enough and the job opportunities are not going to be there, are they?

Mr CHENERY: I agree in the short term, yes. We are not talking about two, three or five years; we are talking about 20 or 30 years. It is a generational issue. At one stage Wilcannia had 2,000; we now have 600 or 700 people, predominantly black. But there was an economy there because people had money. As I said, it is a perpetuating theory and it is not an easy thing to do. But if people buy their sandwiches or whatever from a particular shop and there is a young Aboriginal kid working there, that money goes back into town. Let us face it, in Wilcannia you can only get the \$5 bus into Broken Hill. But if you do that locally, sooner or later it is going to increase. As I said, I do not pretend that this is a five-year or 10-year thing. You get one or two people at the hospital, you get one or two people on the shire council—I mean, as paid staff, not necessarily councillors. It is a building process.

But you are quite right: people then get to that point and say, "I have got some skills; I am going somewhere else." So it is not an easy thing. I think there have been a couple of examples internationally, particularly one recently in New Zealand, I cannot remember where. The town was dying and they said, "How do we fix this?" Essentially they said they were going to offer free university places. Of course, everyone came. So then that money was in the local economy. Their population growth, I think, was around 9 per cent over three years. And, of course, it then became a centre of excellence in education. I think it is a mindset that we are in that we need to change. Certainly short term your point is spot on. It cannot be argued with.

The Hon. TREVOR KHAN: I direct a couple of questions to John and Terry, although I do not wish to cut out any of you. Just talking about the Aboriginal Legal Service, how many people are employed in the service?

Mr CHRISTIAN: Approximately 180 in New South Wales.

The Hon. TREVOR KHAN: Of those how many are Aboriginal?

Mr CHRISTIAN: More than 100.

The Hon. TREVOR KHAN: How many lawyers employed by the service are Aboriginal?

Mr CHRISTIAN: Two.

The Hon. TREVOR KHAN: Can you explain why?

Mr CHRISTIAN: Yes, I can. Because the money we pay with the funding we get, they do better in public service or other organisations than we can pay. There is a gap with us at the moment between the Legal Aid Commission or private enterprise of around about \$20,000. So if somebody goes to university for five years and gets a law degree and they can do better in public service, you do not blame them. I do not blame them anyway for going elsewhere to get a better living.

The Hon. TREVOR KHAN: How many Aboriginal lawyers have you employed who have then left the service?

Mr CHRISTIAN: Very few. I have been there for the last 18 years and we might have had probably eight at the most and they have all left and gone somewhere else because of the monetary situation.

The Hon. TREVOR KHAN: Are you able to identify the demographics of the lawyers that are employed by the service—age, sex, experience?

Mr McKENZIE: Increasingly younger and younger. We are very much now, because of the pay differential that Trevor has referred to, experiencing an ongoing juniorisation of our lawyer ranks. In other words, we really only have the funds available to attract initially graduates perhaps with very little experience. A number of them come to us with the ideology of wanting to do the best for Aboriginal people. Others come because we give perhaps the best criminal law training ground in the State. They will stay with us perhaps a year or two, learn what we have to teach them as to how to be a really good criminal lawyer and then will go and ply their trade elsewhere where they will get paid a lot more money for doing the same work.

We are seeing an increasing proportion of female younger lawyers coming through, whereas when I started in this field 28 years ago it was almost predominantly male. Certainly in excess of half of our lawyer ranks are now women. That seems to be an increasing trend and the proportion will only become bigger as the years go on. We are finding a huge difficulty in being able to not only attract more experienced lawyers because of the pay situation but we are finding that even those lawyers who start with us young and maybe move up through into our intermediate ranks do not withstand the lure of better riches elsewhere for longer than a few years. As I say, we are experiencing a very serious juniorisation of our lawyer ranks, and it is a matter of great concern.

The Hon. TREVOR KHAN: Would it be fair to say that not only is it the pay that is an issue, particularly for those in the regional areas it is the pressure component? They are young, relatively inexperienced and handling what are often quite serious matters at a very young age.

Mr McKENZIE: That is true, although I think a bigger reason, leaving aside the pay, than the matters you put is the social isolation. We have got young people out there who have been to university predominantly in Sydney, and if not there then in large regional areas. They find themselves in Moree, Walgett, Griffith or Broken Hill and suddenly the hours after work are simply utterly devoid of anything that they can really connect with. That is a real problem. In relation to your point about perhaps an overload of too serious work, it does happen, for sure. But we do run a system whereby even though their supervising lawyer is not on site in their particular town or small community, we make sure that we have a series of our supervising lawyers. We have split the State into three zones. There is a zone principal lawyer who reports directly to me in charge of all the lawyers in each of those three zones. They do the hands-on supervision. They are always only a phone call away and there is a lot of that type of assistance given. Because of the email and all of that, they can provide precedents, advice and pointers in that way.

The Hon. TREVOR KHAN: I came from Tamworth as a lawyer and I had a lot of dealings with members of your service. As to the load those lawyers have on a list day, what percentage in a town like Moree would one of your lawyers have?

Mr McKENZIE: Percentage of the list—easily 75 to 80 per cent.

The Hon. TREVOR KHAN: In respect of that list, when do they get access to the client?

Mr McKENZIE: A mixture—sometimes before, sometimes in the intervening period since the first appearance date and the adjourned date that might be happening on the day. More often than not, for the very first appearance it is a meet and greet and get fundamental instructions on the day of court. That is with the assistance of the field officer who is there doing that intro work. Today even in the local court area it has got to the stage where fewer and fewer cases are finalised on the first appearance. It gives you the opportunity to organise conferences in between the time of the first appearance and a second or subsequent appearances. It also gives the opportunity for advice to be given and information to be got via the field officer, so you get a much bigger picture of the whole situation for that particular client.

The Hon. TREVOR KHAN: Are you comfortable with the level of service that your relatively junior lawyers are able to provide to Aboriginal clients?

Mr McKENZIE: I am never satisfied, never. It always should be better. We should be striving to provide the very best legal service because the Aboriginal people in New South Wales are the most disadvantaged. You only have to look at the statistics to see that if any group identifiable in our society should be given the Rolls Royce legal treatment they should be it. So I am never satisfied.

The Hon. TREVOR KHAN: I am happy with that answer.

The Hon. MARIE FICARRA: Terry, in your introduction you made reference to the bureaucratic frustration you had in service delivery from your council regarding the Two Ways Together strategy and the State Plan. You said they were problematic and the alignment of all the plans was causing service delivery grief. Could you expand on that?

Mr CHENERY: It is probably important to note that we do not directly deliver services. We have the six regional councils who come together and meet and provide us with advice, in theory. We then provide advice to the Minister, the Attorney. Having said that, we are decreasingly providing that advice to the Minister. If I may just indulge for a brief time about the history of the Aboriginal Justice Advisory Council [AJAC]. When AJAC was first formed as a committee after the Royal Commission into Aboriginal Deaths in Custody it was a committee of one. In 1998 it became a council. The change from then to now is incredible.

There were no Aboriginal units basically anywhere. AJAC was it. It was the sole advice provider essentially. Now every department has an Aboriginal unit, every university has two Aboriginal units, every department has an advisory council. So there is this plethora of information coming together. So increasingly we are looking at ourselves as advisers to other departments as opposed to directly to the Attorney General. In many ways I see that to our detriment because one day the Attorney will look at us and say, "What do you do for me?" I would provide all the submissions and say, "Here is what I do for all the other departments, even though they do not fund us."

The difficulty we have, of course, is that nobody listens because they have their own unit. That is fine, they are the experts in their field. But we are the only committee, generally myself and staff, who attend almost every single meeting of every single department. We are probably the most consistent voice across New South Wales. It is tough to do that because sometimes we are seen as a body who just sits out here in the ether that just comes along to meetings and tells people what to do. Having said that, we are probably the agency that is across the board, more so than most. To put that in perspective of the Aboriginal Justice Plan, as I said, it was a panacea of change in many ways. It was meant to be. It was and still is the only community developed, negotiated, consulted and accepted Aboriginal plan in New South Wales. Two Ways Together, of course, was consulted on but was not necessarily developed by the community. The Aboriginal Justice Plan became too big for us as a unit. This is pre my days at AJAC. As a small number it is difficult to implement 160-odd actions across the board. So they said, "Let's develop Two Ways Together and that will be the vehicle for implementing the Aboriginal Justice Plan."

Two Ways Together almost mirrored us. We had seven strategic directions, they had seven clusters. They then collapsed those seven clusters into four clusters and basically merged a couple of the cluster groups. That, of course, has now been realigned with the State Plan. The psyche of people in every meeting is, "We have the State Plan to do." That is what we do as bureaucrats, and that is

acceptable. Having said that, we do not necessarily look at the reasons why these things came about. Two Ways Together is still in everyone's mind as opposed to the State Plan. The Aboriginal Justice Plan is over here in a corner on a shelf. Yet it was and is the plan to underpin all of this. So for us to go to meetings and ask people to do a particular role, suggest a particular issue to meet one of the criteria or one of the strategic actions of the plan, they basically say, "What are you talking about? We do not have to." Not in those words, of course, people are very diplomatic. I am very dogmatic and I will go back and say it again next time. It is very, very difficult and, as I said, with the duplicity of government departments doing the same thing, the lack of a strategic region base in this State is absolutely mind blowing from a service delivery perspective.

The Hon. MARIE FICARRA: Do you believe that there should be some form of restructuring so that your advice or expertise in terms of policy development to get the right outcomes could be better utilised? What would you like to see?

Mr CHENERY: In many ways it is almost impossible for a very small group of people as we are to be in a position of seeking that change because people serve different bureaucratic heads in many ways—sometimes good, sometimes bad. I would not argue about more resources and more ability. At the same time, without the ability to have some mandate to compel responses, you could give me 100 people and it would make no difference. What we really need, as I said before, is a mind shift. I use a commonly used saying: we need a "can-do" attitude as opposed to "why can't we do it". Particularly departments and organisations look to us and say, "Here is my plan and I am sticking to it. I report against these key performance indicators [KPIs] and as long as I meet them my senior executive service [SES] contract is safe."

If you want change you put SES contracts on performance indicators and link them to a dollar value. When they do not meet them this year they do not pay their mortgage. You will see change and you will see it very quickly. People will look at it and go, "I need to do that as part of my job." And you have an independent audit. I see there is a coordinating body down the bottom. You have an independent audit, a true independent audit, to meet the criteria. When you have key performance indicators, I could not do the work and tell you that I met my KPIs because I write it in such a way that you would not have a clue what I do. If you have a true audit and you have it monitored independently and factually and you put a dollar value on it, you will see a big change in service delivery.

Dr JOHN KAYE: My question is more directed to Trevor and John than Terry, but Terry may like to comment as well. Yesterday we had the four key justice departments within the State Government—Attorney General's department, Corrective Services, Juvenile Justice and Police—present to us a smorgasbord of seemingly good programs that they were running. They are programs to keep Aboriginal people out of contact with the criminal justice system, programs to keep them out of jail once they had made contact with the criminal justice system and programs to reduce recidivism once they had been in jail by preparing them for life after jail. If what we were told was true then you would be out of a job pretty quickly. Clearly they were putting the best spin on it. What I want is some indication from you as to how we are travelling to meet those objectives—avoiding contact with the criminal justice system, keeping people out of jail once they make contact with the criminal justice system and reducing recidivism rates once they have been put in jail. What are we doing wrong—I think we know what we are doing wrong—and how could we change it?

Mr CHRISTIAN: I think this runs down that argument and they have got all these good things in place. There were 3,600 people in our prisons in New South Wales 12 years ago—

Dr JOHN KAYE: Aboriginal people?

Mr CHRISTIAN: No, white and black. Today we have 10,500. As I said to you before, last time I was here we were talking about rehabilitation in prisons. There is no rehabilitation in prisons at all, and I have been going in there since 1968. You would like to think that there is rehabilitation in there but really there is none. We had a breakthrough some 20 months ago when I spoke with the committee I am on with the prisons and the judiciary about continuing with our medical reports that we supply. This was only in the Sydney area. We were spending some \$95,000 a year on medical reports for people with mental health problems and different things like that who were going into the

corrective services system and it was not being addressed because once they were sentenced they were just pushed aside.

Now we have made that breakthrough in those medical reports going through to correctional health and after they build this \$100 million complex out at Long Bay, with all these people who are going to go in there with mental health problems and other things, hopefully it will address some of the problems about mental health and other things. You know better than I do that we have closed down nearly all of our psychiatric centres around the city and the majority of those mental health people are now in prison. Whether we like it or not, that is where they are. I do not think that has been addressed enough by the Government and I think it should be addressed. As I said, there is no rehabilitation that I can find in the jails. With the recidivism rates, when somebody goes into jail and they are on heroin, they are put on methadone. So they are on methadone while they are in there and when they get out again they go back on the needle. So if methadone is rehabilitation I am not a—

Dr JOHN KAYE: Thank you for that. It is useful. Can we hear from John and Terry on the same topic?

Mr McKENZIE: In relation to the first criterion you are looking at—stopping people from coming into contact in the first place with the criminal justice system—I think some inroads are being made. I think some of the programs run through local Aboriginal justice advisory committees, community policing and that type of thing, are starting to have some affect. On the other two criteria, I would say that the steps being taken are insufficient. Once people come into contact with the criminal justice system we see again and again a real lack of any addressing of the fact that essentially a person who comes in contact with the criminal justice, whatever the symptomatic cause of their offending might be—drug abuse, alcohol abuse, mental health problems, anger, domestic violence or whatever it might be—it is just not being addressed or taken seriously that these are the most dysfunctional people in dysfunctional communities. If the Government was really serious about doing something about this it would heed the call—this is a clarion call—that each person who comes before a criminal court needs to have a hell of a lot of resources specifically put into them to try to assist both them and their family, such that they will never again walk down the path of offending that has put them there in the first place.

What we see right across regional New South Wales—in other words, outside of the big metropolitan areas of Sydney, Wollongong and Newcastle—is a real and serious lack of any community corrections. The Department of Corrective Services is very good and highly resourced to lock people up and they do it very well. The expense has been that over the past 10 to 15 years the community corrections side of the Department of Corrective Services has been, in our experience, almost completely dismantled—such that it is invisible!

Dr JOHN KAYE: When you say "community corrections side", can you define what you mean by that?

Mr McKENZIE: I am talking about the probation and parole officers who should be out there in all these regional centres and remote areas, to be able to give options to a person when they first come into contact with the criminal justice system so they might not be sent to jail on that first occasion; to be able to give them the option of having a properly supervised good behaviour bond; to make sure they go to the programs that are identified as part of their offending, as to what they need to do; and to be able to provide sufficient amounts of community service order options. We have done studies and produced papers to show that people living outside of metropolitan New South Wales are severely disadvantaged in community sentencing options. By that we mean options other than full-time jail. Community sentencing options are not as available to those people living outside the metropolitan area as they are to those inside it.

When you look at the figures, the people in rural New South Wales are going to jail sooner and longer for the same offences as their counterparts in metropolitan New South Wales. It comes down to the fact that they are not being given, and not being assessed for, the same opportunity of community sentencing options and end up in the dreadful situation of full-time jail much sooner. All of these studies across the world show that once a person has experienced full-time imprisonment they are really on the slippery slope to continue to return to it. A large part of the offending we see, especially in the rural areas, is the recidivism, the re-offending. There is no secret about that and the

police will tell you the same thing. What is missing is a real attempt to try to address that and it is just not there.

Dr JOHN KAYE: Do you have data to demonstrate that?

Mr McKENZIE: Yes.

Dr JOHN KAYE: Can we have access to that data please?

Mr McKENZIE: Certainly.

Dr JOHN KAYE: In the case of recidivism are you talking about a failure or absence of programs within the jails or a failure or absence of programs once an individual's order has expired?

Mr McKENZIE: Both.

Dr JOHN KAYE: What was put to us yesterday by representatives of the Department of Corrective Services was that once an order has expired there is nothing corrective services can do. How do you respond to that?

Mr McKENZIE: Well, they are not even doing what they should be doing, before the order expires, to set up that person's future viability to connect with the programs they should have been connected to whilst the order was in place. It is simply not happening. Whilst the Department of Corrective Services has the legal responsibility it is not good enough to say once that period of time passes there is nothing they can do. They should have been doing the building blocks while the order was in place.

Dr JOHN KAYE: The language put to us yesterday was, "We do not believe in holding hands because it won't work once they pass out of our control." It was put to us—and the collective memory will need to work here—that the Department of Corrective Services undertakes steps to get people Medicare cards, birth certificates, and a tooth brush and various other items were mentioned. They were given all this and a book in which various things were recorded and various things expected of them while they were still in prison—there was a program with one of those four- or five-letter acronyms to describe what this was—and then they pass out of the hands of the Department of Corrective Services. You are telling us that is not adequate preparation?

Mr McKENZIE: Correct.

Dr JOHN KAYE: Can you tell us why it is not adequate preparation?

Mr McKENZIE: It is not addressing the problems that have put them there in the first place. They are not in jail because they do not have a toothbrush. They are in jail because they have had serious problems at home. They may have had a dreadful experience as a child—whether it be in a State institution or foster family. They have substance abuse problems that are not being properly addressed in a meaningfully long-term way. The mental health situation is not being addressed for those who find themselves in that situation. What you have described to me is simply the day-to-day legal responsibilities of a custodial institution. It is not doing anything to set up their life outside jail. In our experience the first three months after a person walks out the gates of a jail is the critical time. Our experience is that if you come from either regional or remote New South Wales you will simply not have the needed intensive support of a parole officer to assist you in that transition.

Dr JOHN KAYE: Can you tell us about the psychiatric and psychological care services available to inmates in full-time prison and the vocational education preparation for work after prison? Would you say they were adequate or inadequate?

Mr McKENZIE: Inadequate.

Dr JOHN KAYE: Can you or perhaps Mr Christian elaborate on that for the purpose of the record?

Mr CHRISTIAN: Long Bay did not have too many psychological doctors or psychiatric doctors that I know of and, as I said, I have been going in there since 1968. I still go in quite a bit. I do not think it has been addressed at all because we still have so many people in there with mental health problems and stuff like that. There is no actual rehabilitation in them places for them to get because they get out and they are back in jail again within 12 months or they are back on the street doing something else that they should not be doing. It definitely has not been addressed, I can tell you that right now.

Mr CHENERY: I have worked in every single one of those agencies. I was formerly, before this job, a senior investigator for the New South Wales Ombudsman's office investigating those agencies as well. May I say, and I would like to be put on the record, that it is a sad indictment of this State where New South Wales Police, in my belief is the lead agency in doing the most work for Aboriginal people. It is absolutely astonishing that you have a law enforcement branch doing more than health, housing, and education. Former commissioner Ken Moroney and current commissioner Andrew Scipione and the Aboriginal coordination team led by Peter Lalor, are absolutely unbelievable in the amount of work they do but this is tail-end work—this is once you are in front of a police officer. To comment on the book that you talk about when people get released, most of our people who go to jail are illiterate—here is a book, "Gee, that is going to help me!"

May I also comment that Corrective Services is under the State Plan—I think it is R1—the lead agency to reduce re-offending. What a ludicrous situation. Someone needs to be the lead agency, I do not doubt that, but why would you have an organisation whose legally-based brief is to keep people in custody and to enforce any orders of the court to prevent them from coming back before the system? To my mind that is the cart pulling the donkey. I cannot believe that we do not place the emphasis on front-line resources. I know it is politically expedient to use health, education and law and order—we have known for many years that gets the votes. But at the end of the day if you want to save money do not build the two new jails. Let us save a half a billion dollars in running costs and capital works and keep it for schools and give them proper eye and health care checks. It is a fairly simple formula in my mind and I think there is ample international evidence to back this up.

I have also worked for probation and parole or community offender services, as they are now known. It is almost an administrative function nowadays. My father-in-law was a probation and parole officer for 30 years and he relates stories to me of people coming out on a supervised order, regardless of whether it was a recognisance or a parole order. They would get them housing, take them for urine analysis and make sure they were home and went to work. Most public servants will tell you this. I do not belittle any role in the public service, but the people who are skilled at doing particular jobs now carry out so much administrative work that they cannot do their normal work. I am not saying that we talk into a dictaphone and get someone to type it up anymore, but the amount of time people spend doing three jobs is unbelievable. We are paying someone good money to type.

The Hon. MARIE FICARRA: It is stupid.

Dr JOHN KAYE: Thank you for that; it was excellent.

The Hon. MICHAEL VEITCH: I have one simple question, and I asked it yesterday of the officers of the Department of Corrective Services and the Department of Juvenile Justice. We heard a great deal about plans, books and so on. What does an Aboriginal inmate leaving the system physically have with him?

Mr CHRISTIAN: A train ticket or the bus fare to where he is going and what he has earned in jail and not spent in buy-ups. They have whatever is left over. It might be \$20 or \$25. It depends on the length of the sentence, what sort of job they had and what they were getting paid.

The Hon. MICHAEL VEITCH: That is it. What about expectations? Is there any process to manage their expectations in the first couple of hours, days and weeks outside the facility when they get back to their families and communities? Is there a process to manage that?

Mr CHRISTIAN: I have to defend the Department of Corrective Services. As you heard from the department, inmates are put into classifications. Those classifications are A, B and C and there is C1, C2, C3 and so on. They are allowed to have visits and many are allowed out on day

release to get back into the community. If they were on a high classification in the jail at Lithgow and they lived at Grafton, because they were in the A or E classification they would not be allowed out—they would stay in until the day they were released. It is a little different for those in lower categories. Some of them go on day release. A lot of people do not because of their classification in the prison system.

CHAIR: Why would an Aboriginal Legal Service that has a majority—except for one or two—of Aboriginal lawyers not put more time into stopping people going into jail and helping people when they come out?

Mr CHRISTIAN: It would be okay if they gave us the money to do that. When we apply for funding it is for a designated program. We do not have an open bucket of money to do with what we like. The reporting duties mentioned a moment ago are mammoth. We have to report what we do with that money. There are different buckets of money that we have to apply for and we might not be able to get it because we are doing this program and we cannot do it with that money.

CHAIR: If the funding were there for involvement in rehabilitation inside and when inmates leave, would you want to get involved in that?

Mr CHRISTIAN: It is hard. For example, our field officers cannot transport people from prisons to rehabilitation centres because we are a defence outfit. If they jump out of the car at the traffic lights and run away, because we defend them we cannot breach them. We have to get someone else to transport them. That is the problem. Reference was made to the funding differences. We are very skinny on funding because before, say, two years ago, there was a funding gap of five to one between the New South Wales Legal Aid Commission and the New South Wales Aboriginal Legal Service. It has now blown out to something like nine or ten to one. Two years ago petrol was 93¢ a litre and the geographical area we must cover is enormous. The Legal Aid Commission is not in the outback; it employs private solicitors in different areas. We do not have enough resources in those areas. Even the Legal Aid Commission does not have resources in those areas. It has to employ local practitioners and the racism in those towns is astronomical.

The Hon. MARIE FICARRA: We know of the enormous need to improve rehabilitation while people are in jail. Of course, we have to do a great deal beforehand with regard to health and education and in trying to improve the situation for future generations. However, while they are in prison these people need rehabilitation. That is not happening at the moment and we do not have enough parole officers. Has anyone recommended who should deliver these services? Should they be provided by the Department of Education and Training while they are in jail? We are stuffing up. Where should the resources come from and how can they be spent to get the best outcome so that they do not keep reoffending and so that they get job and lifestyle skills? Would anyone like to comment?

Mr CHRISTIAN: We have four Aboriginal rehabilitation centres in New South Wales. It is not nearly enough and we cannot survive. Some of those centres do not take people who are on methadone or who are drug dependent. That throws a lot of that out the window. Many are still on methadone or drugs after they are released. Some of them are clean, but not many. Three of the four rehabilitation centres that I know of do not allow those people to access their services. There must be more resources to be able to create more rehabilitation centres and to rehabilitate these people away from the prison system. There must also be better diversion in the court system in the first place, especially in the local courts. It is difficult to divert someone coming out of the District Court because it deals with serious crimes. When they are sentenced for more serious crimes, we should be looking at rehabilitation within the prison system.

I mentioned when I took Mr Woodham to the naltrexone unit at Liverpool. I was involved with a hospital there that introduced naltrexone into the prison system. I think that still works today at unit four of Parklea prison. That has never got off the ground. I believe it has been a very successful program, especially in one jail in Western Australia. I know many people do not agree with it, but I do. It is very good. If someone is doing two years and they can be on naltrexone while they are in jail and come out clean, at least they have a chance of starting a new life when they get out.

Mr CHENERY: The difficulty we face with any rehabilitation service—coin them how we like—is that many sentences handed down to Aboriginal people are very short—less than six months.

Therefore, access to any lengthy program is near impossible. You cannot teach some of these people how to read and write in three months when they are shunted from Silverwater, to Bathurst, to Lithgow, to Parklea and in the process they skip modules of the training and do not have a proper classification to be able to access the programs.

The Hon. MARIE FICARRA: Should there be more diversionary programs and parole officers to help the people serving those short sentences to work out options? They are perhaps not serious offenders. Should they be diverted from the system to stop the vicious cycle? What should we be doing for those serving short-term sentences?

Mr CHENERY: That is probably something for the Sentencing Council to address. Having laid blame somewhere else, we need to look at diversionary programs. We had some relatively effective programs in youth justice conferencing and cautioning. Of course, we now limit them to three—that is, the three strikes and you out system. They are not terribly popular in some areas. Regardless of culture, there will always be some people who need to be incarcerated. That is reality. People serving anything less than six months are not accessing the programs. Even if we had a model prisoner and world's best practice in the options being provided, at the end of the day, if that prisoner is going back to a community with 15 people living in a house, no employment and no access to services, what will he be doing in a couple of weeks? An inmate could walk out of prison with a PhD, but should we force him to lose his connection to traditional law, culture, customs, land and family by moving him to Sydney to work because he has that degree? We would simply be removing people from a regional centre.

The Hon. TREVOR KHAN: I refer to juvenile justice. We have spoken about adults. Would you like to comment on the effectiveness of the Department of Juvenile Justice in diverting young Aboriginal offenders out of the system?

Mr CHENERY: Continuing on the theme of programs, projects and rehabilitation, I understand that people on remand cannot access any program. If they are on long-term remand, they are wasted; they walk around with a broom. That is my understanding, and I hope I am wrong, but I do not think the situation has changed. Long-term remandees who are sentenced to four months time served to count have a month during which to access programs. They are still eligible to go to the school and so on, but how do they access anything of real meaning over such a short period? Of course, I am not an advocate of longer sentences.

I mentioned youth justice conferencing and cautioning. I lay no blame anywhere, but police very rarely use the seven-day cooling off period. In some towns the relationship between the Aboriginal Legal Service and the police is fantastic and in others it is absolutely abhorrent. One of the problems is short-term police postings, particularly in the western region. They get their laptop and \$6,000 and the guarantee of a nice, cushy east coast job when they have finished. There is no incentive to build a relationship with the community or the Aboriginal Legal Service. The service does not necessarily have someone there all the time because it cannot afford it, so those relationships are not built. Both organisations are incredibly secretive for good reason.

The police do not want to divulge any information to the lawyer and the lawyer says, with good reason, "Don't say anything; don't make any admissions." However, they need to make an admission to access the cooling-off period. From a case management point of view, that could lead to massive savings in the court system if it were used properly. The dilemma is that the Aboriginal Legal Service needs to represent its clients to the best of its ability—that is its first duty to the court—but the police say that their job is to lock people up.

CHAIR: This evidence is extremely enlightening. It is vital that we maintain our contact. The Committee will table an interim report in June. We will probably call you to give evidence again before it tables its final report. Thank you for appearing today, it is greatly appreciated.

(The witnesses withdrew)

(Luncheon adjournment)

MAURICE SHIPP, Director of Operations, Tranby Aboriginal College, 13 Mansfield Street, Glebe, and

CINDY BERWICK, Vice-President, Aboriginal Education Consultative Group, 37 Cavendish Street, Stanmore, sworn and examined:

LINDON PAUL COOMBES, Executive Director, Tranby Aboriginal College, 13 Mansfield Street, Glebe, and

CARLO SVAGELLI, President, Aboriginal Education Consultative Group, 37 Cavendish Street, Stanmore, affirmed and examined:

CHAIR: I ask that you give some opening remarks, if you so wish, and then we will go into questions.

Mr COOMBES: I have an opening statement. Tranby is the oldest independent Aboriginal education provider in the country and is celebrating its fiftieth year of operation this year. Tranby is a not-for-profit Aboriginal cooperative whose main function is to deliver VET-accredited courses to Aboriginal and Torres Strait Islander students from across Australia. An important part of Tranby's philosophy and success is that of indigenous ownership and control. Tranby has an eight-member board, six of whom are indigenous, while over 50 per cent of Tranby's staff is of Aboriginal and Torres Strait Islander descent. Over time Tranby has adapted to the changing needs of the Aboriginal and Torres Strait Islander communities and the requirements of government to deliver relevant courses to its students.

This year Tranby has 133 students and is delivering the following courses: Diploma of National Indigenous Legal Advocacy; Diploma of Development Studies (Aboriginal Communities); Diploma of Business and Governance; Advanced Diploma of Applied Aboriginal Studies; Diploma of Community Development; Certificate 2 and 3 in Business, and a literacy and numeracy course. Tranby provides opportunities for a range of students, many of whom have limited formal secondary education, others who are looking to matriculate to university, others undertaking post-secondary studies for the first time or are re-entering the education system after a long absence. Tranby is also proud of the outcomes we deliver for our students. This is evidenced by the most recent supplementary recurrent assistance feedback report compiled by the former Department of Education, Science and Training, which states in part, "In educational outcomes module completion rates for Tranby not only exceeded the State and national indigenous student rates for 2006, but comfortably exceeded the non-indigenous student rates."

I also bring to the Committee's attention that despite the delivery of solid outcomes over a long period of time, Tranby, along with three other indigenous independent VET providers, was targeted by the previous Federal Government for a reduction in funding through the Indigenous Education Targeted Assistance Amendment Bill 2005. This bill effectively removed funding previously allocated for these institutions and redirected the money into supporting the Skilling Australia's Workforce Bill 2005. The result of this is that funding previously allocated to these institutions is now part of a wider pool of money for which numerous other education providers—indigenous and non-indigenous—can compete for. While I have every confidence in Tranby's ability to successfully compete with other indigenous and non-indigenous education providers, this process has the effect of diverting Tranby's limited resources to applying for funding and removing any certainty that would allow us to confidently plan and deliver our courses into the future.

Mr SVAGELLI: The New South Wales Aboriginal Education Consultative Group, the ACG, has been in existence for over 30 years. We are a voluntary-based, community-based organisation. The vision of the Aboriginal Education Consultative Group is to provide advice on all matters relevant to education and training with the mandate that this represents the Aboriginal community viewpoint. The aim of the ACG is to ensure that the functions and powers of members are facilitated, with the premise that the most critically important part of the consultative process is the active involvement of local ACGs, members and communities. We have a three-tiered structure. We have our locals, we have our regions, of which there are 19 around the State, and a State committee.

Currently there are approximately over 700 members across the State and the majority of them are Aboriginal people.

The Hon. MICHAEL VEITCH: How can institutions like Tranby assist the Government in addressing the long-term needs of Aboriginals and Torres Strait Islanders?

Mr COOMBES: I guess education is our primary focus as a cooperative. The college has been going for a long time and we have been able to deliver, I think, exceptional results and do it consistently. As I said in the opening statement, our completion rates are up there above even those of non-indigenous rates. One of the things Tranby can offer government is a degree of confidence that whatever we get responsibility for we will deliver, and that is a really important thing to offer government. I know from working in the New South Wales Government over the past decade, there is a fair degree of variability in Aboriginal organisations and there is not always that confidence that government can work with or allocate funds to Aboriginal organisations and be confident those things will get done. In those terms, Tranby stands apart in the quality of its outcomes.

Mr SHIPP: Adding something further to that is the community aspect. We offer an environment where Aboriginal and Torres Strait Islander people can come together and develop a network within our own communities to provide effective support mechanisms for them when they go back to their communities to implement what they have learnt through us. Over the 50 years we have been in existence, I think that has been one of our real core strengths, that we have built communities from the education we provided over the past 50 years. That is a legacy we live by and one of our major strengths.

Mr SVAGELLI: Organisations like Tranby and Booroongen-Djugon on the North Coast—another training organisation—offer flexibility that TAFE cannot, in a nutshell. They can focus their program, their studies, to the needs of the Aboriginal community, and that is one of the significant differences of organisations such as Tranby and those other Aboriginal training providers.

The Hon. MICHAEL VEITCH: So a really important thing is that your completion rates are very high, as you say. Do you have a program to assist your graduates into employment? What are your employment outcomes for graduates like?

Mr COOMBES: We do not have a formal process to do that. I do not want to be here saying that we do not have resources, but we do not have dedicated resources to formally put our students into employment opportunities. We do have very good informal networks, particularly with the State Government, and with the Federal Government we work very well. If our students come to us and say they are interested in a particular field of employment I am pretty confident we would be able to make the right connections to do that. It is more of an informal process but we do not have dedicated resources to allocate to that.

Mr SHIPP: To add a bit further to that, this year, 2008, we added to our certificate 2 and certificate 3 in Business Administration, and lastly we identified that education around the administration side of not just government but Aboriginal organisations is a really important aspect for Aboriginal people to learn. I am not sure if you know, but there has been a change in the way the Aboriginal sector is providing that type of education to our community. We have noticed that as a need so we put that on our scope and it is running this year. Currently we have 14 enrolled in the certificate 2, which is an eight-week intensive program, and we have not done the enrolment figures for the certificate 3 yet but they will be running this year.

In essence, those courses provide the skills for people to go on and gain opportunities. So do our other courses. A lot of our students in the legal studies course, for example, work in our sector, in legal offices or within Aboriginal organisations. So, we are not just looking for building capacity so someone can gain employment; we are building the skill while they are gainfully employed as well. So, we do do it but we are just not resourced for a particular apprentice program or that sort of thing.

The Hon. MICHAEL VEITCH: Have you ever surveyed your graduates to see where they have gone with employment?

Mr COOMBES: As it is our fiftieth anniversary we have a number of things in the pipeline, one of which is undertaking a project to track down past students and see where they have come up—people who have come through Tranby and what they have gone on to do, whether that is further higher education or they have been employed in other areas. It is not something that we have done as a matter of course but it is certainly something that I think is really important to do in order to say that students who come through Tranby get a fair dinkum qualification and we set them up to go on to higher education or into real employment opportunities—otherwise we are chopping wood for practice.

The Hon. MICHAEL VEITCH: That is right. So you are in a unique position to advise the Committee what sort of support services Aboriginal students need in educational settings. What sort of support, and even flexible delivery models, would work?

Mr SHIPP: We are in a pretty unique position in terms of providing an answer to that question—and I think from various levels, not just from the students that we have and the communities that we have had an impact with. We also have partnerships with the university sector and with the secondary sector to develop and further enhance our young people's thought processes to move on into maybe thinking that university could be an option for them. Over the last two years Tranby has been not dominant but involved with this group of people who have set up the Australian Indigenous Mentoring Experience, or AIME. We have a website for that as well. What that is about is we work with more than 15 high schools in the Sydney basin at the moment—and we are expanding to Wollongong and we have expanded into regional New South Wales. We support these students through the university students themselves.

We have set up a mentoring program where students who are currently enrolled at Sydney university provide support to Aboriginal students at a secondary level at St Scholasticas high school at Glebe, for example. It has been really successful, and our numbers have doubled. We have helped quite a number of young Aboriginal people to think about university as an option. Tranby has been instrumental in that approach. I sit on the board of that organisation as well as developed a couple of different funding submissions through Sydney university to get funding for that particular project. That is one example of how we have been instrumental.

Some of the things that I think we need to look at in terms of providing support is, yes, we have universities with support structures. We have Aboriginal centres in universities and we have an Aboriginal unit within TAFE. What we need is a community-based approach whereby they are actually getting advice from the community within their local area. One of the major things that we have identified not just in Tranby but across the board in terms of education in the last number of years is that Aboriginal people would prefer to study in other States than their own. That is a really big issue. If you look at Sydney university as an example, at least 85 per cent of its students who are Aboriginal come from other States and Territories; they are not local students. Why is that? Why is that question not being answered? So what we are trying to achieve, and what we have been doing, over the last couple of years is trying to answer that question in partnership with the university from a community perspective. So we need to set up some local community consultative groups that would actually sit down and talk to the education providers to get local students more interested.

The Hon. MICHAEL VEITCH: Leading on from that, does Tranby have any, or many, students with disabilities?

Mr SHIPP: In the past we have had. We have had a couple of students with eye problems who cannot see—visually impaired. We have had a deaf student as well. We do not get a lot of people in wheelchairs but we are open to that. We are wheelchair friendly and we are open to accepting students who have disabilities.

The Hon. MICHAEL VEITCH: What about Aboriginal students with disabilities in public schools? What sorts of support mechanisms are there for them and do you think they are adequate?

Ms BERWICK: There are some issues around the number of kids who are actually labelled "special needs". They are overrepresented in special needs classes. They would say that they had an intellectual disability. While Aboriginal kids represent about 4 per cent of the school population they represent about 10 per cent of kids in special needs classes—particularly intellectually mild, or IM,

classes, where they are classed with an intellectual disability. There seems to be some misdiagnosis of many of the students and cultural differences lead to intellectual disabilities. So they are put into classes—overrepresented in classes—and I do not think their needs are being met.

The Hon. MICHAEL VEITCH: That is interesting. What about hearing-impaired Aboriginal children?

Ms BERWICK: Otitis media is a huge health problem.

The Hon. MICHAEL VEITCH: That is why I asked the question.

Ms BERWICK: I think there is a misconception in the community—not in the Aboriginal community but in the non-Aboriginal community—that it is something that happens when kids are young. The kids are mostly screened in kindergarten when they start school and there is follow-up requested by the parents. In terms of follow-up, there are issues around whether the parents have a car to get their kids to doctors and whether they can get in to see doctors. After that it is finished. But otitis media, as you probably know, is a health issue that affects eight out of 10 Aboriginal kids. It is not something that is diagnosed at five years old and is finished by six; it stays with them their whole life. I would say it is not something that teachers are aware of with their Aboriginal kids, especially in secondary years when the kids tend to sit up the back. They are going through adolescence and they are hormonal and they do not want to sit down the front where they can hear. I do not think that teachers are aware of the issues that face Aboriginal kids so therefore do not cater to their needs in the classroom.

Mr SVAGELLI: And then that leads on to the problem being undiagnosed and labelled something else. In schools with high Aboriginal populations there is a probability that they are more aware that otitis media may be an issue and they run screening programs, work with the local medical service or health providers. But when teachers and schools are not aware of that it could be a contributing factor to students' learning. They could go through school undiagnosed and labelled as having behavioural issues.

Ms BERWICK: Then there is suspension.

Mr SVAGELLI: The whole cycle.

Ms BERWICK: That is why we have high suspension rates. Kids get multiple suspensions and end up leaving school at an early age.

Mr SHIPP: If I may add something, I think, in essence, the thing that is missing with regard to otitis media and hearing problems is communication between the health sector and the education sector in the Aboriginal sector. Does that make sense?

The Hon. MICHAEL VEITCH: Yes.

Mr SHIPP: Basically, NSW Health over the last, say, 10 years has put some really big money into otitis media and developed a successful program that has been integrated throughout many regions within New South Wales. I was involved in that project in the beginning stages—I worked at NSW Health at the time. Looking at that project now, it has come a long way. The problem that I see is that we are still, 10 years later, wondering why these problems still exist. The issue of diagnosis is huge but the issue of follow-up is even bigger. They are diagnosing earlier. They are doing a lot of the symptomatic testing in communities with regard to ears, eyes or whatever but they are not actually following through with the patients who are diagnosed through the education system. Through the health system they are because the Aboriginal primary health-care system is working really well to address those needs but there is no communication between that sector and the education sector, which causes the breakdown of follow on. Does that make sense?

The Hon. MICHAEL VEITCH: It makes a lot of sense.

The Hon. GREG DONNELLY: I put this question to you for a response. I do it not naively or provocatively but to get your response. Obviously for any organisation to have a continuous

operation of 50 years it would suggest that it is doing something successful. I say that in a respectful way. It does not matter what organisation in what sector; to have a lifespan like that and a future suggests that you are doing something right. Judging from the comments of a number of witnesses yesterday from various government agencies and various organisations together with witnesses this morning, there does not seem to be any way of reaching a consensus on what is working and what is not working in the various areas—be it education, health or justice; you can break it up into different areas across the board. There does not seem to be any evidence that we are reaching any consensus about what are the best models and what is working well.

I said this yesterday respectfully to some witnesses who in their submissions listed a whole lot of things that look wonderful in black and white. But it was very hard for us, and maybe even people with experience, to look at that and make a judgment as to what is really working well and say, "Why don't we try to replicate this?" Is part of the reason why there is a reluctance to replicate successful models that there is inherent tension—I say this not as a criticism but to try to draw it out—between replicated successful models across the board in the context of Aboriginal communities in New South Wales? It is pluralistic; there are a number of communities and they want to be developing and nurturing ideas themselves and coming forward with successes.

There is a sort of tension that may not be healthy whereby, yes, Tranby is working very, very well but my obvious thought is: If you have done it so well for 50 years, why are there not trends all around the State? Perhaps there are other models of your organisation around the State but in my mind it does not seem to reconcile. If you have experienced success within the indigenous community that is observed as such, why are they not all out there trying to set up similar Tranbys around the State? I put that to you for a response. It is not meant to be naive or provocative. I am keen to hear your opinions.

Ms BERWICK: I will make a couple of points. In terms of replicating things, I would say different communities have different needs. I am not sure that you can actually transport something because different communities have different issues. I am not sure that you can transport one size fits all. A classic example of that would be Aboriginal kids in the city have huge issues with their identity. That is not so in western New South Wales because they are smaller communities and they know where they come from. The issue is different community needs. It is really hard to replicate something that might work for one and not the other, especially in the school system in different communities.

I would say, respectfully, some of the unwillingness to replicate is run by more of a political agenda. Politics plays a fairly important part. Aboriginal Affairs and Aboriginal education are fairly volatile, controversial issues. The apology this morning has been very controversial. Often we have to fix something so we look at bandaiding it and not necessarily working through the foundation issues. Therefore, because we have to fix it very quickly and it is politically expedient to fix it, we will do it rather than look at a process or take on a process that works. It is often done without consultation with Aboriginal people. That is fairly regular. I have probably forgotten the question and gone off on a tangent.

The Hon. GREG DONNELLY: No. Just make some observations.

Ms BERWICK: Often there is an expectation from departments. They identify a problem and there is an expectation—I am really talking about Education—that, "Here is a problem and this is what we want you to get to". For example, the department identifies a huge gap in literacy levels so it says, "We're going to give you all this money and you're going to fix it because by 2012 we want these kids to achieve the same as non-Aboriginal kids". But very rarely does the middle part of the processes and the strategies of how to get there happen. There are huge success stories around the State. Most of it is localised and most of it nobody knows anything about because these people go off and do things.

Often, when effective and strong leadership is in place, whether it be in schools or in communities, you will find that something happens. At the end of the day there is no necessary gathering of processes and strategies that these people have implemented to achieve a good outcome that is represented across the State. While I will not say that what works here is able to work there, there are possibly some strategies that people could take and say, "Well, all right, maybe I could give

that a try. Maybe I can manipulate it to our community or to the needs of our community." Those are my comments and observations.

Mr SVAGELLI: Adding to that, it is that individual leadership. It is not systemic, developed leadership; it is relying on individuals in those schools and in those organisations. Something might take off and work really well for the time that that individual is there, but once he or she leaves and moves on, unless there has been a bit of succession planning and someone else in that community or school is willing to take it up, it is not sustainable. So it is hard.

The Hon. GREG DONNELLY: I just make the obvious point—I think we have made it with other witnesses—that notwithstanding the comment that there are individual successes maybe at a local or a community level, across the board there are manifest failures. We are manifestly in strife across a range of measures and that is where there is a sense of tension. There might be local successes but, for whatever reason—and I have not been able to discern what is that local reason—there is not this replication; there is not an organic process where these things flow on into other communities.

Mr SVAGELLI: It is about relationship building.

Ms BERWICK: And partnerships.

Mr SVAGELLI: In our submission we talked about people's experience in the past with the education system. It has not always been the best. Even up until the 1970s Aboriginal people were being excluded from the system. That was mentioned this morning in the apology. That was not generations ago; it is still very recent. So it is about building those relationships and that does not happen overnight. Communities have to have faith in the organisation, be it at school, be it a health provider, be it the police, or whoever. In other discussions about the underreporting of sexual assault people have to have faith in the system. Who will provide that service or provide that backup if they want to use it?

Mr SHIPP: Can we get back to the issue of replication? There is something that we all know but there is something that is missing from that. In the Aboriginal community replication is not so much considered. If we try to replicate another program or another service we are doing the program that is running an injustice. Does that make sense? We are cutting one thing that we are running very well and that has a national profile, for example, Tranby. We have Booroongen-Djugon College up on the North Coast and we have the Aboriginal Dance Theatre and a few other areas as well. What makes Tranby so successful is not the way in which we do business; it is the people who support it and the students who have come through it. Do you know what I mean?

The Hon. GREG DONNELLY: Yes.

Mr SHIPP: Over those 50 years we have not been running what we are running now. What we are running now has been put into practice only in the last 12 months or two years. Whilst they are mildly successful, they are still successful because we are getting the outcomes. Success is managed on many levels so it is really hard to answer that question about replication. But, in essence, our community does not like to replicate programs and services unless they are imposed on us by, for example, a health program that is a State initiative that needs to be implemented within a short time frame and that has a number of dollars that are rolled out. There are so many different factors that we have to understand. Each community is different. Each community has different leaders, as has been mentioned, and the expectations are different. What may work in Dubbo may not work well in Redfern. Does that make sense?

The Hon. GREG DONNELLY: Yes, it does.

Mr SHIPP: We have to understand that there are various differences between the communities. Replication does not always work and we are aware that there is failure attached to it.

CHAIR: Unfortunately, where we are coming from is in some ways one dimensional. We are looking at things from the point of view of resources and a one size fits all because we want this instant fix. I say that from the point of view of us as members of this Committee. I take on board the

important issues that were raised. It is not just a question of resources; it is a question of looking at a skeleton that can wear many clothes. It is not a one size fits all; it is an important issue.

Mr SHIPP: Yes. The biggest thing for us is that there have been some big and successful initiatives in this State—initiatives that have been delivered on a statewide basis for Aboriginal people. The otitis media program is one example, as is the drug and alcohol program. Most of it has been related to health or justice. There have been some really good examples. We have to learn from our mistakes, but that learning is a long time in coming; it does not happen overnight.

CHAIR: So what is the skeleton? Is it employment?

Mr SHIPP: Yes. It is health, employment and education.

Ms BERWICK: Education is the foundation. Without education you cannot overcome any of it.

CHAIR: We have known what is the skeleton for many decades, so why are we failing?

Ms BERWICK: I would say that in the last 30 years since I have been at school—not that I went to school, although I did go for a short time—there have been improvements in education. Twenty or 30 years ago there were no Aboriginal people who could be teachers. More Aboriginal kids are finishing school. The trouble is that it is not happening at a high enough rate over the period in which it happened. While I would say that there have been successes—it has not all been all doom and gloom—there just have not been the significant successes that we need.

CHAIR: In defining "success" and "failure" we are again being one dimensional. We are saying, "We have failed because there is an horrendous gap."

Mr SHIPP: Yes.

CHAIR: But you are saying that the definition of "success" and "failure" is much more complex?

Mr SHIPP: That is right. If somebody turns up for class each morning that is a success. It is really quite difficult to get them to come in. Our teachers work very hard to keep them motivated and to keep them there throughout the day. As I said to the Chair, providing lunch is a really good mechanism to keep them there for the afternoon. It is about thinking outside the box and coming up with an innovative understanding of how to make learning easy for people.

Mr COOMBES: I wish to add to that. In a previous life I was involved in 2004-05 in some of the consultations relating to the Aboriginal education review. Picking up on Cindy's point, whenever something good was happening there was a great principal, a really driven individual. Within governments there is such an emphasis on the evidence base and, as you said, we are not looking outside that square. One of the things I would really like to see is a more organic process where you have a look at what is working. Those stories pop up. Back the winners and support those people who keep doing those things.

It may not be that they can necessarily be replicated because a whole range of things have gone into Tranby's history that cannot really be replicated—from its very conception to the way it operates now, to the number of supporters we have and to the number of relationships we have developed. We recognise that that is good for Tranby. Probably the most high-profile success story is that of Chris Sarra at Cherbourg State School. There is a driven individual who knows what he is doing. They come in and make a difference and when they leave the success often leaves with them. By focusing on where those people are at and by putting in some structure where those people are at I think you can build some sustainability around that. It is about governments being a bit more creative rather than saying, "Show us the statistics and we will keep doing that."

CHAIR: Have there been any attempts to define and measure that so that the Government can understand it?

Mr COOMBES: I do not think there has been a systematic approach to defining that. It is just something that I would like to throw out there that the Government could have a look at. Across Aboriginal Affairs we often talk about doing business differently so that we accommodate Aboriginal people. Often that is rhetoric and it is not coming through. Doing business differently is looking at those things. "Where is this stuff working? Okay, what can we do to keep supporting that?" Even though it is outside our funding cycle and our funding guidelines, let us have a shot and support that.

Ms BERWICK: It is also about taking a risk. It is a little bit of risk taking. Something that I alluded to earlier is that it is not in a political agenda to take a risk, especially when you cannot guarantee any success. It is about taking those risks and supporting people in taking the risks.

The Hon. TREVOR KHAN: I hear what you have said. For at least 20 or 30 years we have had the platitude from governments, "We will fix the problem." Is that is right?

Mr COOMBES: Yes.

The Hon. TREVOR KHAN: Over that same period hundreds of millions of dollars—if not billions of dollars—have been spent trying to fix the problem. Is that not right?

Mr COOMBES: Yes.

The Hon. TREVOR KHAN: We have reached a point where we are holding yet another inquiry because we do not seem to have fixed the problem in any way. Yesterday various government departments gave evidence and said, "We now have outstanding programs in place that we did not have in place three years ago that will fix the problem."

CHAIR: Six months ago.

The Hon. TREVOR KHAN: In some cases, six months ago. Some of the evidence has been that they do not have a consistent statistical base available to them to enable them to compare performances five years ago, let alone 10, 20 or 30 years ago. Perhaps the feeling that is developing is that a great lot of words are spoken and there is very little progress.

CHAIR: And the question is?

The Hon. TREVOR KHAN: To be honest, everyone has had his or her say.

CHAIR: I am asking for a question. That is a good statement.

The Hon. TREVOR KHAN: Do we not all agree that it is a good idea to close the life expectancy gap within a generation? Is that right?

Ms BERWICK: It will help us live longer, and I am not being funny.

The Hon. TREVOR KHAN: Do we agree that we have to meet that expectation?

Mr SHIPP: I think it is more than a good idea; I think it is necessary.

The Hon. TREVOR KHAN: Do we agree that we must work at halving the mortality gap for children under five within a decade? That is an objective that we must work towards? Is that right?

Mr SVAGELLI: We all know the statistics; you will get no disagreement.

The Hon. TREVOR KHAN: There are some basic things that we have to get to across the whole community. Is that not right?

Mr SVAGELLI: Yes.

The Hon. TREVOR KHAN: In a sense that requires a commonality of purpose across the community. Is that not right?

Mr SHIPP: We are agreeing with you.

Dr JOHN KAYE: It is not the fault of these people.

The Hon. TREVOR KHAN: I am not suggesting that, but do we get to a point where there has to be some uniformity in the programs that are rolled out?

Mr SVAGELLI: As has been mentioned, you need the framework, you need the skeleton, but there must be flexibility because one size does not fit all. There must be a collaborative approach. I think governments are starting to learn that you just cannot go in and force something on people. Communities have had enough. It is about working with communities and it is about building those relationships so that you are working together and there is a sense of ownership. We know what are the issues in our local communities. Work with us in a holistic way, not just health delivering one part, education doing this, and so on. These are the issues in our communities. What are you, as a Government, going to do to assist us in dealing with these issues? You send us reports, reports and reports. We have told government what the issues are in our communities. It is about how we are going to work together to deal with these issues.

Mr SHIPP: I think what you are asking is very important. We definitely agree with the figures you have talked about and about the need for coming together and having a common purpose and goal. The problem is that the community is segregated in a number of levels—and it is not just in our own community, it is in society in general. I think what government needs to do is to try to answer that question as well, instead of trying to get the community to answer that question all the time. We feel that we are being put under the spotlight and asked to answer these questions without any knowledge of what is going to happen with our information.

That is why consultation is very important to us. It has worked, and it has not worked, in our State. I think that question should be asked not only of us but of the government of the day, as well as the people who work in government, but in a different perspective. There is a level of distrust in our community. How do we get rid of it? I think today's apology started that process, and I think things will be a little bit different from here on. Our future is looking brighter for the ordinary Aboriginal person. I think there will be a change in the future. We are just conduits of the message; we are just facilitators of the work we do. We are not doing this to help ourselves; we are doing this to help our community get to the next level. We all should be sitting here and saying we are going to do something, but how do you bring us all together to make that happen?

Mr COOMBES: Going back to one of Cindy's points, we should be aware of the successes as well. If we ever start sliding back, then we need to have a serious look. The other thing is that there is a real focus on timeframes and that we want to do this within one generation, and that is great in a way. But, to me, it misses the point that it is hard work and it requires an ongoing relationship. We need to come together and start that relationship, for however long that is going to take us and however far that is going to go. At the same time, we need to acknowledge the successes and continue to move forward.

Ms BERWICK: It has taken 200 years to get here, and I think it is a simplistic view if you think it is going to be all fixed up or everybody is going to be on an even keel. You would like it to happen, but I think it is simplistic to think that it will happen. While your question is simple—Why can we not improve infant mortality rates—the answers are quite complex.

It is not necessarily an Aboriginal problem. I think sometimes we get caught up in this as an Aboriginal problem. It is a poverty problem. It just so happens that most Aboriginal people live in poverty. We have multiple disadvantages. You are talking about indigenous disadvantages, but it is not just one disadvantage that we have; we have multiple disadvantages in many areas. To overcome those sorts of things is quite complex and it requires a number of interventions that target a certain thing. If you looked at non-Aboriginal people in poverty, I would imagine they would have nearly the same statistics as we have, except that the trouble is that most of us live in or have come from poverty.

The Hon. MARIE FICARRA: To be a little positive, so we look upon the future as being very hopeful, particularly after today's apology, do you think the rate of improvement in many of

these areas has increased? It has taken us 200 years. I am fairly optimistic that the grade will improve in its degree of uplift. Tranby is doing so well. You have consulted with the community and built it up over time. It suits the purpose and it is delivering good outcomes. I understand you cannot replicate Tranby all over the place, but are other institutions in the same market also doing a good job?

Mr SVAGELLI: There is Booroongen Djugun, which started off focusing on the health area and providing aged care services. It became a registered training organisation and started training people to deliver those types of services.

The Hon. MARIE FICARRA: Is it possible to take the skeleton process of consultation elsewhere and start to develop services that suit particular communities?

Mr COOMBES: There must be consistent principles that come through the success stories, that you can take and say, "If we do these things and we do them well—"

The Hon. MARIE FICARRA: We are not going to try to replicate the services; we are going to suit them to the particular communities. But it is possible, is it not?

Mr SHIPP: The overarching principles are the same, such as good governance and effective management—those core principles of one organisation being put on a pedestal. There are many organisations across the country. Booroongen Djugun is only one. In the health field, there is the Aboriginal Medical Service at Redfern. There are a number of organisations around the country that are benchmarking organisations in the way in which they conduct their business. But for us, because we work there, we are in a unique position. We know how it is structured and how the day-to-day management occurs, so it is hard for us to talk about other organisations without being involved in them directly.

The Hon. MARIE FICARRA: With regard to the expertise you have developed over time, in Tranby and other successful educational institutions, is your expertise utilised to give them a start?

Ms BERWICK: I would say that government departments pay lip-service. I do not think they value what we bring to the table. They talk about partnerships all the time. The partnership is actually: "We will have a conversation with you, and we hear what you say but we do not listen." They hear what we say but they do not listen. As someone mentioned before, the rhetoric is there and the commitment is there, but the practice and the action are not there. It is the value of working together. There are successful places and successful programs. Where they have been successful is when it involves the principles of governance and effective leadership, and valuing what people bring to the table and having a say in the decision-making process. I think government departments—I will say the education department because that is the one I know—fall down on it all the time, because they just do things that they think they need to do.

The Hon. MARIE FICARRA: Going through the motions?

Ms BERWICK: Yes.

Mr SHIPP: We have helped other organisations as well, though. The Inner-west Aboriginal Corporation has come to us for governance training. We have done quite a bit of work with other organisations around the country in terms of building their capacity. The answer to your question is yes, we have helped other organisations from a Tranby perspective.

The Hon. MARIE FICARRA: What can we do to assist with the transition from high school to tertiary education?

Mr SVAGELLI: I will pick up on what Morris was speaking about earlier with regard to the AIM program. Support structures such as AIM bring in mentors. The mentors come from Sydney University. Some Aboriginal students, but not necessarily all Aboriginal students, speak to high school students about what they want to do, about their aspirations. They may not necessarily have a role model that they can talk to about what is involved in university life, whereas a lot of you, I guess, have possibly had children and you have been to university so you can relate to what university life is like. Mentor programs like the AIM program are an important component of sharing that experience

with Aboriginal students. It gets them to think about what they want to do down the track. A lot of the time Aboriginal young people are encouraged to stay on at school, but you really have to start thinking about the middle years, like year 9. If you want to go into the engineering field or you want to become a doctor, you need to start thinking about what subjects you want to do.

The Hon. MARIE FICARRA: Can they access that in rural and regional areas?

Mr SHIPP: We are about to implement it regionally in New South Wales. There are a couple of different streams to this program. We would start in year 9. Year 9 is an interactive program, where we are introducing the concept of support. Year 10 is the leadership program, where we start to further develop the ideas and thinking processes of students around that age, who are about 16 or 17 years old. Then we have years 11 and 12, which is the tutorial program. That streamlines them to want to study at university. We also look at pathways. Pathways are really important. As you say, the transition from secondary to tertiary, or from secondary to us, is really vital. We need to be involved in that process because we get a lot of the students who do not want to go to university. We get a lot of students who have had a bad experience at TAFE. We are instrumental in that.

The AIM program has worked really well. It started in 2005; it has been running for two years. We have just pulled together a board of management. We are about to get incorporated as a proper organisation. We are now looking to disseminate it to Wollongong. We have 14 students already picked up in Wollongong through the Wollongong University, which is going to support the high school is down there. We are looking to send it out to western New South Wales. That is on hold at the moment because there are a few issues with some of the schools there. This could be the basis of a national program that could support our future generations from year 9 through to year 12. Remember, we are only one stakeholder in the big stream of what AIM is. There is a website, and I suggest you have a look at it because there are some important mechanisms that illustrate how the program has been effectively run.

Dr JOHN KAYE: Firstly I apologise for being in and out of the room. I want to ask about what is happening in schools in terms of specific programs for supporting Aboriginal students. Yesterday we heard that the Schools in Partnership initiative, which is a lead initiative for supporting Aboriginal students in schools, touched about 10 per cent of Aboriginal students, and some 20 or 30 per cent were in schools that were funded above the usual amount by general equity programs. This leaves more than half of Aboriginal children in schools without any specialist funding associated with their specific needs and the specific disadvantage of the communities they come from.

Firstly, would you care to comment on that and on whether you think it is something the Committee ought to be worried about? Secondly, I would like your opinion on the effectiveness of those sorts of programs, and specifically to contrast them to the sorts of things that are being done at schools like Alexandria Park, where the concentration of Aboriginal children has been turned from an issue for the community into a positive benefit. I would also like you to comment—if you have any knowledge of it—on Tempe High School, where Aboriginal languages have become part of the rebirth of the school and now the school is getting close to reaching its enrolment capacity.

Mr SHIPP: I have had a little bit to do with working with schools, specifically Alexandria Park. In a previous job that I had with the Aboriginal Medical Service at Redfern we conducted a series of programs around grief and loss for Aboriginal children who were going to that school. They have a number of programs at that school for Aboriginal students. They also have some effective parents who are involved in the school. They also have a group of Aboriginal people from the local community who meet regularly to support the school in general. I think those particular processes have been very, very successful because you are getting community input. You are not only getting parental input, you are getting community input for those kids specifically at Alexandria Park. I was not aware of Tempe High School, I cannot comment on that. But Alexandria Park is a proactive school. They are always looking for new ways of doing stuff for the Aboriginal children in supporting them.

Dr JOHN KAYE: Is it fair to say that part of the success at Alexandria Park is that it is not just a school, it integrates into the community, in the same way that Tranby is not just a registered training organisation [RTO]?

Mr SHIPP: Location plays a major part in the success of that school. With the demise of Redfern Public School, at the time a lot of students were transferred through to Alexandria Park. A high number of Aboriginal families live within the region. But there are other regions in the Inner West as well that are more concentrated for Aboriginal families. Marrickville is one of them. There are particular schools in particular pockets that are looking at new ways of doing things for Aboriginal students. Alexandria Park is in a unique position because it is so close to Redfern.

Dr JOHN KAYE: Could I ask you to comment on the effectiveness of the Schools in Partnership initiative?

Ms BERWICK: We have a fairly detailed knowledge of the three things that you have asked. We are fairly aware of Tempe High School. I would not say that the Aboriginal language program there gave the rebirth to the school. I would say other things gave the rebirth to the school—the leadership of the school. They did a lot more languages at the school before Aboriginal languages and it was on the up then. It is also about the perception of the other schools in the area, that Tempe is probably considered the best of a bad lot in the community. I live in the community, I have been at Marrickville High School, I am a schoolteacher. So we have a fair lot to do with it. With regard to Alexandria Park, I taught at Alexandria Park before it was Alexandria Park. Carlos's kids used to go there. So we have a fairly detailed knowledge about that. As to the Schools in Partnership there are two different views. The department would say that the Schools in Partnership is a success. In communities the community would say that it is not working as well as it is said.

Mr SVAGELLI: There are varying levels.

Ms BERWICK: Some of them are doing really well.

Mr SVAGELLI: Some of them are doing really well. Some of them there is a lot more work needs to be done. In the main it is about developing those Schools in Partnership with the community so that they do have faith in what is being delivered and how it can be delivered and developing the programs within the school.

Dr JOHN KAYE: Is the issue of Schools in Partnership not enough money or bad design?

Ms BERWICK: I would say you could give a school all the money in the world. Some of the schools have huge bank balances in some of these places but they do not know what to do with it. Unless you have effective leadership, guidance and strategies and you work with the community who can give you some ideas of what the community's needs are there is no point. The community needs books to read, for example, and you disband the library. There is often not a cognisance of what is happening in these places, and it comes down to leadership.

Dr JOHN KAYE: Leadership in the school?

Ms BERWICK: Yes.

Dr JOHN KAYE: Basically you are talking about the need to have principals who are switched on to the needs of the Aboriginal students and the Aboriginal programs that are being run within those schools?

Ms BERWICK: I would say that is a good call.

Dr JOHN KAYE: From a State Government policy perspective how would you go about making it more effective?

Ms BERWICK: Which one?

Dr JOHN KAYE: The Schools in Partnership initiative.

CHAIR: We need more information on this subject. In the time we have left we could get a brief response. We may ask you for some written information or a further visit.

Mr SVAGELLI: I will just comment that these schools that are doing well under the Schools in Partnership were already on that path and the Schools in Partnership program assisted in taking that next step.

Ms BERWICK: It gave them resources to do it, but they all knew what they needed to do.

Mr SVAGELLI: Like any good thing, you need a good plan. There was this expectation that you will have this money for a year and the results, the outcomes will just jump tenfold. You need time to sit and develop. You need to develop the plan and work through it and take those small steps. There is the expectation that you have to take this huge leap.

Ms BERWICK: It does affect a small number of kids, a very small number of kids. South-western Sydney has got 20 per cent of the government enrolments. Campbelltown has the second highest Aboriginal population in Australia where 14,500 Aboriginal people live. There is not one school under the Schools in Partnership program. Mind you, they would say that there are other equity programs because there are a lot of PAS [priority action school] schools out there because of the level of poverty that exists. There are still a lot of Aboriginal people there. They would say that other equity programs attract that level of funding and they are catered for. Except you would have to argue about the level of funding that it attracts. It attracts funding for not only Aboriginal kids but for the highest number of refugees, the highest NESB [non-English speaking background] students. To try and do the whole lot in terms of equity programs, I am not sure of the results.

CHAIR: Unfortunately, today we do not have the time to further examine this issue. Clearly, there is a need for more in-depth examination of this area before we bring down our draft report in June and our final report. We would seek your indulgence to answer further questions that we send to you in writing and, with your assistance, come back and give us more of your important knowledge. Thank you very much for your assistance today.

Mr SHIPP: I thank you and the Committee for inviting us along. I also want to extend my thanks to you for coming over to Tranby and spending the time that you did with us. That was very, very productive not only for you but for us as well. Thank you for coming to our graduation.

CHAIR: We appreciate that, thank you.

(The witnesses withdrew)

(Short adjournment)

RUSSELL TAYLOR, Chief Executive Officer, New South Wales Aboriginal Housing Office, based at Parramatta, and

DAVID LEE, Board and Ministerial Liaison Officer, New South Wales Aboriginal Housing Office, based at Parramatta, affirmed and examined:

Dr JOHN KAYE: David, are you an employee of the Aboriginal Housing Office [AHO] or the Minister?

Mr LEE: The Aboriginal Housing Office.

Dr JOHN KAYE: So you liaise—

Mr LEE: Between the Minister's office and the Aboriginal Housing Office and also between—

Dr JOHN KAYE: —but on behalf of the Aboriginal Housing Office?

Mr LEE: Yes.

CHAIR: Do either or both of you wish to make an opening statement before questions?

Mr TAYLOR: I would like to make some opening remarks to set the context for further questions. Before I do, as an important cultural protocol can I acknowledge and pay my respects to the traditional owners, the Gadigal clan of the Eora people? I acknowledge that we come together this afternoon on their tribunal ancestral country. I would also like to thank the Committee for the opportunity to make a contribution. You may be aware we did make a contribution as a component of the Government's submission and I hope that my remarks are not unnecessarily repeating anything included in that submission or unnecessarily repeating anything that our colleagues particularly in the housing domain have said—I think Mike Allen appeared before the Committee yesterday. I hope my opening remarks do not sound too repetitive or any of my responses to questions.

I was present for part of the previous session where my colleagues from other Aboriginal organisations talked about the importance of their jurisdictions, including education, health and so on. I would put to the Committee that housing is absolutely central to the business of this Committee. I make the point that if we are serious about making any inroads at all in closing the gap and addressing the areas of disadvantage to Aboriginal people, whether in health, housing, employment, education or any of the dysfunctional areas that are visited upon our communities, there has to be a housing element. In that context I would like to provide some brief information about needs and then proceed to the questions.

To set the scene—and I am sure you have heard this before—the Aboriginal population is 138,000 people or 2.1 per cent of the population of New South Wales and 30 per cent of the total population of the nation. I would make the point that it is the biggest population so that any improvements, whether they are minor in percentages, affect an awful lot of people and also any backward steps affect an awful lot of people. I guess all of my responses today would certainly at some stage revisit the significance of the large Aboriginal population of New South Wales. Of our people, 31 per cent live in Sydney and 84 per cent of the total group live in urban and regional centres. So we are highly urbanised—I will come back to this point shortly.

Nearly one-third of Aboriginal households in New South Wales live in social housing. I think Mike Allen yesterday talked about a third, a third, and a third. To set the context for the jurisdictional responsibilities of the Aboriginal Housing Office, I will repeat that. A third of Aboriginal people enjoy home ownership, or maybe suffer homeownership depending on where you are coming from. A third of Aboriginal people are also in the private rental market. The other third, if my mathematics is correct, are in social housing. To set the context once again for the AHO's jurisdiction, the social housing sector consists of public housing, mainstream community housing and Aboriginal housing.

That sector has two main components: one is the houses owned by the Aboriginal Housing Office and managed by Housing New South Wales—we talk in that context 4,300 housing units. The other half of the Aboriginal housing sector is community-housing interests—about another 4,600 housing units that are owned and managed by community-based Aboriginal housing provider organisations. So when I talk about anything to do with the AHO I am essentially referring to the component of Aboriginal housing that consists of the Aboriginal Housing Office stock and community stock. About 9,000-odd units all told.

In terms of public housing, about 9,800 Aboriginal households live in public housing. In mainstream community housing, there are about another 900-odd households. I have already provided statistics on our housing units. It is safe to equate that to households—that is, about 9,000 in the Aboriginal sector. Aboriginal homeownership is a mirror of the statistics for the mainstream population. The figure for Aboriginal homeownership is 36 per cent and for the mainstream population it is 63 per cent. We have a long way to go.

Aboriginal people face multiple barriers in the private rental market. Mike Allen talked about this, but I want to reinforce it because it is a major issue in terms of trying to meet housing needs. They face discrimination and their entry into the market suffers because of their low socioeconomic status, which is exacerbated by unemployment and poor health and education, all of which are barriers to the private market. The low homeownership rate and the difficulty in entering the private rental market puts all sorts of pressures on social housing—whether it be public housing, community housing or Aboriginal Housing Office housing.

As I said, we have a highly urban and regional population. This adds another dimension in terms of need in New South Wales. More than 11 per cent of Aboriginal households in New South Wales are overcrowded. Without being able to provide hard and fast evidence, we believe that is understated. That goes to the nature of how that information is collected. It is no comment about the integrity of Australian Bureau of Statistics data, but we truly believe those figures are understated from the Aboriginal perspective. Australia wide, 37 per cent of Aboriginal households are in affordability need. In New South Wales that is in excess of 40 per cent. I do not need to tell members why that is the case. The south-eastern seaboard has had affordability stresses longer and probably to a more acute degree than any other part of the country. Of course, Aboriginal people share that experience with others in the community.

Once again we believe that homelessness figures are understated. While the data is blurry, we suggest that the figure for the Aboriginal population is about 110 people per 10,000 compared with 40 people per 10,000 in the mainstream population. The Aboriginal homelessness rate is about 3.5 times the rate in the mainstream population. I suggest that that is also understated. I refer members to the nature of the Aboriginal population—that is, growth rates and ageing. The Aboriginal community is generally much younger than the broader community—ours is not an ageing population. It is a different scenario in the Aboriginal context. This point has probably been made before, but that situation creates particular stresses and pressures for people like me and Committee members who are trying to close the gap. The growth is exponential and it has all sorts of resource implications. I know the Committee has already heard evidence about this and I might reinforce some of that this afternoon.

As we all know, today is a very auspicious day. The Prime Minister's comments supporting the apology identified housing as a top priority. He suggested that the Australian Government would develop a five-year plan, but he qualified that by referring to remote Australia. If that is the case, in future 95 per cent of the Aboriginal population in New South Wales will miss out because we do not have the remote areas and populations that until recent times the Australian Government has suggested might be the beneficiaries of its programs. I might explore that a little further in answer to questions this afternoon. It is a major threat to the operations of the Aboriginal Housing Office, but, more importantly, to any aspirations the State Government might have about Aboriginal wellbeing, and it certainly needs to be addressed.

As I said, today is an auspicious day for obvious reasons. However, as Aboriginals, David and I would like to say that the business of this Committee is very important. I revisited some documents recently that suggested that there were select committees in 1967 and about 20 years later. The terms of reference are familiar. I wish this Committee well and I thank members for putting their

hands up to be involved in what is a very honourable business. Thank you. I am happy to answer any questions.

Dr JOHN KAYE: Thank you for your remarks. I must display my unforgivable ignorance about the Aboriginal Housing Office. Is it an agency of the State Government?

Mr TAYLOR: It is a statutory body established under the Aboriginal Housing Act. I am appointed by and accountable to the Minister for Housing, the Hon. Matt Brown.

Dr JOHN KAYE: Do you receive all your funding from the State Government?

Mr TAYLOR: No. I am happy to table a document setting out the source and application of our funds. The Aboriginal Housing Office was established and predicated on a pooled funding model. That is, the expectation was that we would be funded generously by both State and Australian governments. We are a truly pooled model in that those funds come together and you can see how we source and disperse them. Our budget is not enough, but all CEOs will tell you that. The old adage states that money is not always the answer, but in housing it has something to do with it.

The governance of the Aboriginal Housing Office is very consultative and a unique arrangement. We have all the characteristics of a State department and I and my staff are accountable to the Minister. All of the usual accountability and compliance requirements that are visited upon all departments are visited upon us. However, we have an important governance element in that we have an all-Aboriginal advisory board appointed by the Minister on merit. We also use a needs-based community and regional bottom-up planning process. We develop an annual program that is ultimately signed off by our Minister.

However, prior to that it is also endorsed by our board and is the product of six strategies developed and approved by all Aboriginal regional committees. All of those people are appointed on merit and they all know something about indigenous housing because they have lived the experience. There is a huge amount of Aboriginal involvement in how we do business. It has to do with need, equity and transparency—that is, it has the characteristics that we would like all our organisations to have. So it has integrity and resonance around self-determining principles and a structured, planned approach.

Dr JOHN KAYE: You have roughly 4,000 housing units.

Mr TAYLOR: About 4,300.

Dr JOHN KAYE: What percentage is in need of refurbishment?

Mr TAYLOR: Without being flippant, probably all of them. The maintenance effort continues. It is the old painting the Sydney Harbour Bridge adage that once you have finished you have to start again. Until recently, we have upgraded and refurbished about 93 per cent or 3,700 houses, and we will continue to do that. We get roughly \$20 million in rental revenues and plough back about \$16 million or \$17 million in responsive maintenance. We also devote other moneys from our repairs and maintenance program that is funded by the State and the Commonwealth to ensure that the houses meet the standards expected by the Consumer, Trader and Tenancy Tribunal. We have developed rigorous standards and we try to ensure that all our houses meet them.

Dr JOHN KAYE: I make the distinction between refurbishment and maintenance. Maintenance is working order, whereas refurbishment is configuration and modernisation.

Mr TAYLOR: That is correct. The funds we plough back from our rental revenue are spent on responsive maintenance. We have spent \$93 million over the past three years to ensure that houses meet universally accepted standards.

Dr JOHN KAYE: What is the average annual growth rate in the number of beds in your stock?

Mr TAYLOR: I will take that question on notice. In the nine-year life of the Aboriginal Housing Office, we have added about 1,000 units to the system; that is, both additions to the Aboriginal Housing Office stock as well as stock owned and managed by community housing organisations. I will take that question on notice to provide accurate information.

Dr JOHN KAYE: That is good news. That is an annual average increase of a little less than 3 per cent. The Aboriginal population in New South Wales is growing at about 2.14 per cent. Is it part of your strategy to grow stock faster than the Aboriginal population?

Mr TAYLOR: Ideally, yes. However, the resource questions kick in. Our own research suggests that if we continue to maintain the current effort, the need gap will increase rather than decrease. I hope that is clear.

Dr JOHN KAYE: In terms of this Committee's objectives, you would agree that that is an extremely worrying issue. Is that research in the public domain?

Mr TAYLOR: Not at the moment. It has only recently been commissioned. We have just engaged a very experienced demographer.

Dr JOHN KAYE: That is an issue the Committee would be interested in if we are talking about closing the life expectancy gap and the Aboriginal Housing Office's ability meet quality housing needs. There are three different modes of non-private rental, non-homeownership: the Aboriginal Housing Office, community housing organisations and the Department of Housing's public housing.

Mr TAYLOR: Correct.

Dr JOHN KAYE: If I am an Aboriginal person in housing need, how do I know to whom to turn or to whom I will be allocated? Am I allocated?

Mr TAYLOR: One of our ultimate goals is to have a central waiting list. At the moment—and it goes to the history of housing in this State and elsewhere—we have a community sector that has had a life of its own and it maintains its own waiting list. We also have a public housing waiting list and an Aboriginal Housing Office waiting list. The latter two are managed on our behalf by Housing New South Wales. There is some disparity between what those lists show. There is duplication because people are free to put their name down on whatever list they have a mind to. We ask only that they be Aboriginal people if they are put on our list.

If an allocation is to be made, we check that issue. It is rigorously guarded and oversighted by our board, and we take it seriously. In terms of our legislative responsibilities, we must ensure that it is Aboriginal people who benefit from our programs. However, the point you are making is that there is still a lot of work to be done if we are ever to get to a single list of need and demand. We are not there yet. We are doing some work around that. We are doing some work with Housing New South Wales. Of course, the dilemma is the reliability and our ability to collect that information from community interests. But I take the point that there is some work to be done there.

The Hon. MARIE FICARRA: How bad is the housing overcrowding problem? We have heard it is still substantial. Have there been any inroads into it or is it getting worse?

Mr TAYLOR: I am not sure I can give you a piece of data that justifies my answer so I need to be guarded, but we think we may be holding the line at the moment. The worry is the growth in the population and the projections. The worry we have is that the gap is going to increase rather than reduce. We know anecdotally that there is overcrowding across the State. It is not just in one region. It is reflected in our waiting lists but also reflected in components of the maintenance that we know needs to be done. Overcrowding creates a lot of issues in housing. One of the things it does is shorten the life of the housing stock unless it is addressed. I am not sure I am answering your question but it is certainly an issue of considerable concern. I go back to my remarks earlier—we do think it is understated in the formal statistics.

Mr LEE: Due to the nature of our culture, you may never know the true homelessness figure because we have family members living with us and we do not usually notify people. People turn up

on your doorstep, you have an obligation to feed them, house them, give them money and send them on their way the next morning. I do not think we will ever truly get the true reflection of what Aboriginal homelessness is in New South Wales.

The Hon. MARIE FICARRA: Is it sending them on the next morning? I thought it was a lot closer than that, some may not move on the next morning?

Mr TAYLOR: Absolutely.

Mr LEE: Absolutely.

The Hon. MARIE FICARRA: How do you ensure that community service providers carry out their maintenance?

Mr TAYLOR: A number of ways. The Aboriginal Housing Office has a very close relationship with community providers, given that we are really their only source of program support. We do this in a number of ways. One is simply by having a non-government relationship with providers. But the way it is usually captured is we have a formal registration process that comes out of our legislation and any housing provider that expects support from the Aboriginal Housing Office and our programs needs to be registered and go through that process. We also have a funding application process which we refer to as an expression of interest. In both those processes we get information regarding their needs, waiting lists, the condition of their houses, to what extent they are performing and operating.

The third bit is, from the outset or almost from the outset the Aboriginal Housing Office has a performance-based funding regime. To reinforce what I just said, unless community-based providers can show they are performing to an agreed set of standards—and they are rigorous—and can convince us that they meet our key performance indicators, the incentive is if they perform and manage their houses and manage their tenancies to an acceptable standard we will reward them through our program effort. I can tell you that over recent times with the Aboriginal Housing Office those two performance issues have been strengthened rather than weakened. It is important that I say we have developed what we consider to be very rigorous standards of governance and management in the community sector.

I just point out that in recent times, when at ministerial level we looked like getting an agreement to a national framework for the management of community housing, the standards developed by the Aboriginal Housing Office were lifted and utilised by the Australian Government in setting that national framework. So, we think they have some integrity. But I do not wish to paint a picture that it is as simple as that. There is no doubt that we have a long way to go in our sector in lifting the bar and lifting the performance of our providers across the board. To give you an idea, there are something like 240-odd recognised organisations that own stock. Sadly, far too many of them own far too few houses so they are never going to be viable even if they are operating effectively, and I might talk about the sector strengthening strategy which is about addressing some of those issues. In answer to your question, we monitor that and have a view about that and influence that through our registration, our funding and our performance monitoring of individual organisations.

The Hon. MARIE FICARRA: So if you have tenants complaining that they complained to the service provider and it had not been followed up, what action do you take?

Mr TAYLOR: We have a discussion with them about whatever deficiencies are identified. That goes to your question. It is not just a question of managing the assets. They also have to manage their tenancies in ways that are equitable, fair, reasonable, transparent, et cetera. Of course, they have to meet all the requirements of the Consumer, Trader and Tenancy Tribunal. They are hard yards in any housing area, how well those tenancy arrangements are met and addressed.

If I can divert for a minute, I want to talk about our sector strengthening strategy, which is quite an ambitious reform agenda that the Aboriginal Housing Office is driving. We have started it. We know we have a fair way to go but we have some progress. That is about introducing elements of sustainability in the sector that are not there at the moment. Sustainability—if you read nine sets of papers you will get nine different definitions—in our context means managing and fixing houses and

tenancies in ways that those houses will be available for the children of the people live in them, and their children, if they have a need for those houses. The life cycle of some of our houses is not what it should be. So, from a sector point of view we are saying let us try to set the bar and over time lift the bar for how organisations based in communities manage their housing stocks and their tenancies. And it is about capacity building, identifying where deficiencies might be evident and bringing in some capacity building and support mechanisms where they might address those over time.

The dilemma is that the number of housing providers we have in New South Wales and that are managing that 4,600-odd houses, we cannot capacity build and continue to capacity build because of resource limitations. We cannot have a one-on-one relationship with all of those and expect to be effective within limited resources. So, we have developed a sector strengthening strategy that provides for two future organisations. One of those is those community-based organisations that are meeting the standards I just talked about. We have not only developed standards, we have developed an accreditation framework and a service improvement framework that sits over all that. It is quite rigorous. So, one is those providers that demonstrate they can perform, and we are also creating regional organisations that will provide the asset management and tenancy management services to various communities.

We are doing that for a number of reasons. There are economies of scale, of course, but there are characteristics of the organisations—and we call them regional Aboriginal housing management services. We have four. We have aspirations for maybe twice that, maybe 10 across the State, and we can guarantee the quality of governance and management in those organisations. We can guarantee the quality of the services they provide and we hope that organisations that are struggling might sign up to outsource their housing responsibilities to those organisations. It means that with any funding we bring to bear, particularly recurrent funding, we can at least achieve economies of scale. That is what it is all about. It is an ambitious program. We are not quite there but we have achieved certain things.

We have certainly established some of those regional services. We have established the standards. We have established the accreditation framework and the service improvement elements. We are building on our performance-based funding regime that I talked about, and what kicks in there is needs-based planning and proper equitable allocations of money. We are going forward now to the sector to try to see to what extent they will support these initiatives. I suggest to you that if we are successful, it will bring in some sustainable characteristics in the sector that are not there at the moment and that translate into poor housing, overcrowding, poor maintenance, et cetera. That is what we are trying to do in the long term. As I say, there is a long way to go but we are confident that what we are trying to do will have some integrity and will, over time, bring about those positive changes that I am talking about.

The Hon. TREVOR KHAN: With regard to your sector strengthening strategy, if you have a community provider that is not up to standard, who will not sign up to one of your regional organisations, what is the next step?

Mr TAYLOR: That is a very good question because it is the one that has caused the board, my staff, my colleagues and the Aboriginal people in the sector to question what are we going to do. Of course, the challenge is—and I mentioned this point before—in the community sector, unlike in other jurisdictions and unlike mainstream community houses, the Aboriginal community-based providers I am talking about own their housing stock. They are landlords in every sense of the word. As I said before, there are about 4,600 of those and about 60 per cent of those land council housing units. I might add that our reforms, as well as the land rights reforms that go to housing, are absolutely in sync. The sector strengthening strategy I talked about is in sync with the land rights reforms that are being rolled out as we speak. It has to do with that, lifting performance and lifting the quality of housing services.

The only way I can answer your question is we would hope that we would convince those organisations that they need to sign up. Additionally, we will go through a transition period where we will try to assess whether or not they have the capacity to perform. If it looks in the early stages as though they do not have that capacity, we will encourage them to sign up to the regional organisation I talked about. If it looks like they have the capacity, we will support them in that. We are about to go with a very comprehensive capability auditing process between now and probably the end of May that

will help us make those calls, and it will be done in consultation with community providers. In other words, to try to assess what is their future capacity.

The answer is there is no guarantee. We do not have a huge baton with which to threaten them. However, if we cannot convince the leaders of the organisations, maybe we could have a discussion with tenants that may bring about a change in behaviour and responsiveness by the people living in those houses and who are going to be detrimentally affected by their not accepting the reforms. Because, the reforms are rent, rent setting, rent collection, maximisation of revenues in every sense, including collection of Commonwealth rental assistance. All of these are very important planks. We have a long way to go but that is where we are heading, to maximise revenues—not to the point where we forget about affordability—to the greatest extent possible, control costs to the greatest extent possible, to ensure that whatever government intervention is needed that it will be well spent and it is a minimum rather than a maximum amount of money. There are pressures and the concerns we have are about budgets, about resources, but also particularly the future role and relationship with the new Australian Government.

The Hon. TREVOR KHAN: You have spoken about overcrowding in the sector, is that right?

Mr TAYLOR: Yes.

The Hon. TREVOR KHAN: Do I take it from what you say that the 11.2 per cent or the 11-odd per cent of overcrowding is spread over what I would describe as public sector housing and the private sector?

Mr TAYLOR: Yes. I am more confident about the fact that at least it is under review constantly in the public sector. In the private sector of course it is very difficult. But certainly in the community sector we are aware; it is evident there. No question about it.

The Hon. TREVOR KHAN: So when we talk about the community sector, are you able to identify that because of complaints from tenants in that sector?

Mr TAYLOR: Yes, and from our own relationship, monitoring, oversighting and funding the community sector. For instance, we look at their waiting list. We know what demands are placed upon their housing stock.

Mr LEE: We also collect data in relation to the number of bedrooms in the property and the number of people living in that property through our registration process.

Mr TAYLOR: I should also mention that in terms of the data issue we are also a signatory, as the State Government is, to what is known as the national reporting framework that is a component of the Building a Better Future 10-year ministerial strategy for better outcomes. That is quite detailed information we collect from providers, and we report into national reporting that is reflected in the report on government services and other similar reports and reports produced by the Australian Institute of Urban Welfare, ABS, the Australian Housing and Urban Research Institute and those sorts of things. So we do collect an awful lot of data around that. The dilemma is—I do not want to cop out—the accuracy of that data and the difficulty in collecting it.

The Hon. TREVOR KHAN: Sure. Do I take it from what you say—and I am not in any way trying to put words in your mouth—that you know there is an overcrowding issue within your housing stock?

Mr TAYLOR: Yes.

The Hon. TREVOR KHAN: It is not simply limited to the private housing sector. It involves your housing stock as well as the community housing stock.

Mr TAYLOR: Yes. But can I just say that I think it has been better managed and addressed within community housing and within the Aboriginal housing stock because there is constant

throughput in terms of trying to meet family needs with housing stock. But in the community that throughput may not be there.

The Hon. TREVOR KHAN: Understand that this is not us being critical of you in any way.

Mr TAYLOR: I accept that.

The Hon. TREVOR KHAN: What we are interested in is obviously if there is an overcrowding issue in your housing stock self-evidently it means, firstly, there is not enough money provided for housing; and, secondly, if children—I will talk in terms of children—are in an overcrowded situation it is going to impact upon them in a whole variety of ways, including their education and health outcomes.

Mr TAYLOR: Absolutely.

The Hon. TREVOR KHAN: So it is not something that we would sweep under the carpet. We have got to be prepared to talk about it and work a way around it.

Mr TAYLOR: Absolutely. It goes to my earlier remarks about the centrality of housing to a whole range of other issues that we are trying to address that go to disadvantage.

The Hon. TREVOR KHAN: We heard from a witness—I will call him that because that is the way I talk—this morning that there is a floating population of between 8,000 and 10,000 Aboriginal people in New South Wales. To that extent, do we take that floating population that is estimated to be in those sorts of numbers to be a floating population that is likely to move in and out of AHO or community housing or the private housing sector? Do they essentially move backwards and forwards over a period of time?

Mr TAYLOR: I believe so. If you do not mind I will take that question on notice. But my instinctive reaction is, yes, I think that is true.

Mr LEE: But there would be other factors that would influence that floating population, such as seasonal employment and so on.

The Hon. TREVOR KHAN: Sure.

Mr TAYLOR: One of the issues is the barriers to entry into the private market and other factors that go to public housing, where you are regularly reviewing household income and if you are in arrears you would expect immediate action. The impact of that is people who exit from private and public housing put more and more stress on community housing. They generally go and live with family or whatever because they have nowhere else to go, or they become homeless. That is part of that floating population.

The Hon. TREVOR KHAN: This is not meant as a criticism.

Mr TAYLOR: No.

The Hon. TREVOR KHAN: I will move on because I can feel a temperature from my right. How will the AHO be affected by the Australian Remote Indigenous Accommodation Program? You alluded to it earlier; give us the guts.

Mr TAYLOR: We are going to be detrimentally affected to the extreme. It goes to my earlier remarks about the Prime Minister's focus on remote Australia. The recent budgetary decision of the Australian Government last May was, as you are probably aware, to discontinue the Community Housing and Infrastructure Program that was previously delivered in all States and Territories—and in New South Wales that equated to about \$13.25 million. They replaced it with the ARIA model. We have two dilemmas. One is that the ARIA model was focused on remote Australia on the assumption that any other housing needs anywhere else would be taken up by the private market or public housing.

I have already suggested—and I think Mike Allen suggested it—why the private market will not take up that slack. I should add that in some places in New South Wales there ain't no private market. We are the only game in town—or Aboriginal community interests are the only game in town. In many of our communities that is what is happening. The demographic change is suggesting that more and more they are becoming Aboriginal communities but they do not meet the definition of the Australian Government of "remote". I am trying not to lose my train of thought. That means that we only have a very small pocket of locations that will qualify for the ARIA funding.

The other issue—forget about location—is one of the policy settings is that those organisations who are going to enjoy ARIA funding have to transfer the title of their houses to public housing authorities. Now after a 30- or 40-year struggle in Aboriginal Affairs those organisations that enjoy housing assets are hardly going to sign them over to government. So what we have said to the Australian Government is: It is not just a matter of having more locations; we cannot meet your policy settings. Why? It is because the community own houses and they do not want to surrender title. So it is a double bind. But, in answer to your question, we hope that the new Australian Government will be more receptive to our request to consider the housing needs of people who live other than in remote areas.

In saying that, I just add that nobody questions the fact that needs in remote Australia are acute. We are not saying it is either them or us. What we are saying is: "Consider everybody; you are the government for all of us, not just for people in remote Australia". We need our needs met and if the private market is not going to do it and public housing is under pressure—bear in mind that they have taken about \$900 million out of the system in the last 10 years; that is one of the reasons why our public housing system has to focus on the most needy and, yes, Aboriginal people are still in the picture—it is hardly going to address all our needs across the State. So my point is—maybe I will put it at the end if the Chairman asks me to comment further—I hope that this Committee might have some regard to trying to convince the new Australian Government that it ought to look at our needs other than the ARIA model.

The Hon. TREVOR KHAN: I need the Chair's indulgence—

CHAIR: Go for it.

The Hon. TREVOR KHAN: What is the definition of "remote"?

Mr TAYLOR: It is an Australian Bureau of Statistics definition. I will take the question on notice because I do not know the definition, but I can give you an idea. Out of 138,000 Aboriginal people in New South Wales if we applied that definition 7,000 of them are going to get looked at—95 per cent will miss out.

Dr JOHN KAYE: Can you give us those numbers again?

Mr TAYLOR: We have an Aboriginal population of about 7,000 out of 138,000 that meets the remote index.

Dr JOHN KAYE: Do you have the figures Australia wide?

Mr TAYLOR: Absolutely. We would be able to get them. I think one of my colleagues in the earlier session said that there are as many people in Sydney as there are in the Northern Territory. The Australian Government is talking about \$800-odd million in the Northern Territory. It is not talking about \$800 million in Sydney, I can tell you. We need to get some equity and balance in the picture, and I hope this Committee will support us in trying to do that.

CHAIR: I am starting to get nervous about time.

Mr TAYLOR: I am sorry.

The Hon. GREG DONNELLY: I refer you to the questions on notice we provided

Mr TAYLOR: I will try to be brief. I am sorry.

The Hon. GREG DONNELLY: Do not apologise; it has been very informative. Specifically, in your view is the Aboriginal Housing Information Service well used by Aboriginal people?

Mr TAYLOR: Yes, it is. We get about 800-odd calls a year—maybe 100 a month. I can tell you from feedback we get from community that it is highly valued and well appreciated. The inquiries range from "What's happening to my hot water system"—in other words, repair needs—to "Can you help me if I want to get a housing loan; who do I talk to?" It is the whole spectrum. Maybe it is, "I've just been thrown out of a house. What do I do, I'm homeless?" There is a whole range of inquiries. We have a couple of staff who are dedicated to that response. Without too much self-praise, they do a very good job and it is a very valued service.

The Hon. GREG DONNELLY: Is it a statewide service?

Mr TAYLOR: Yes. It is an 1800 number. I mentioned before the indigenous nature of our governance. But every time our board meets we have an open day with community. Every time our regional committees meet we have an open day with community. We get a lot of feedback about how well we are doing and how well we are not doing. But in every case, without exception, they express appreciation of that number. Of course, we promote it and say, "If you have a problem and if you are not getting service, give us a ring". I think the numbers are growing in terms of the people who are using the service.

The Hon. GREG DONNELLY: That leads me to a question about the home loan scheme. Can you elaborate on the home loan scheme that assists Aboriginal people buy their homes?

Mr TAYLOR: Sure. Our home loan scheme, which you are referring to, relates only to our tenants who want to buy our houses. It is targeted at those who have good rental track records. It is a partnership between ourselves and Indigenous Business Australia, which is the Commonwealth body that runs, operates and manages the national home loan scheme for indigenous people. We have spent \$3.6 million over the last three years—or is it four years, David?

Mr LEE: Yes.

Mr TAYLOR: That is really matching loan funds. The reason we do that is because the way the IBA home loan scheme is managed the money they have to lend out really depends on the rate of repayments because they do not get regular government appropriations. As I understand it, they can never guarantee an amount of money in any particular State or location. They run on cash flow. So we provide our money to make sure that there will be loan funds to meet our tenants should they meet the criteria of the program—and it is fairly rigorous—and eventually get approval. Up till now, in three years 18 loans have been written. So 18 families have gone from being Aboriginal housing tenants to owning their own homes. We would like more take-up but the dilemma once again is affordability stresses and how much money they can service on welfare-type incomes. So we are looking at issues like shared equity and low-start home loans et cetera. We are trying to get IBA to do that as well. They will be ongoing.

The other thing I should mention is that we provide an incentive grant of up to \$2,500 to our tenants who qualify to offset their legal costs, conveyancing costs, valuation costs et cetera. So if they get that plus the first homeowners grant, they are in. But they need to be able to satisfy that they can service the amount of borrowings. Of course, once again, it is a vicious circle. We have to sell them at market value—because we are a State agency we are expected to do that—and most of those market values are beyond the borrowing capacity of the tenants who live in those houses. But we are looking at ways that we might be able to expedite and expand the program.

Mr LEE: Our tenants also need to meet lending criteria through IBA.

Mr TAYLOR: It is rigorous. It is a concessional loan but they are rigorous criteria—the usual that you would expect from a prudent lender.

The Hon. MICHAEL VEITCH: I have a couple of quick questions about the governance model that you use. You said that your board is appointed by the Minister based on merit. My experience of that process is that often not just within the Aboriginal community but in the broader community it often causes stresses in different sections. Is that a fair comment for your community as well?

Mr TAYLOR: Yes, it is.

The Hon. MICHAEL VEITCH: Going to the next level, how are the regional committees elected? Are they elected or appointed?

Mr TAYLOR: They are appointed. First of all, the board is a ministerial appointment framework, and I play a role in that. It is highly competitive, rigorous and withstands scrutiny in terms of transparency. We treat it as if it is an employment position in the bureaucracy. There is no question about the fact that it is merit based, but it is very competitive and, as you said, it is difficult. In relation to regional committees, under the Act our board determines the composition and the terms of reference for our regional committees. As I said before, its main role is to develop its own regional programs and strategies and also to provide advice on policy issues that free up the board, which then provides advice to the Minister. Even though it is a board process it is merit driven. We advertise in the media and people have to state their track record and their expertise around housing issues and their broader indigenous experiences. Once again, it is competitive.

There are some happy people and there are some people who are not so happy about the outcome, but it is rigorous. I should have said earlier that the pool funding model arrangements for the Aboriginal Housing Office are determined not only by our own legislation but also by the bilateral agreement between the Australian Government and the New South Wales Government known as the Indigenous Housing and Infrastructure Agreement. Those governance arrangements also have some oversighting by the Australian Government. The reason I am saying that is that for that reason they have to be rigorous. We have to get a tick from the Australian Government in relation to what governance processes and models to use. I believe it is as rigorous as it could be and, in my view, it withstands the scrutiny of any acceptable standards.

The Hon. MICHAEL VEITCH: What you are saying is that your governance model would stand up to the rigour, say, of the Corporations Law?

Mr TAYLOR: I believe so.

The Hon. MICHAEL VEITCH: Do you put your board members through governance training?

Mr TAYLOR: Yes, we do. We have an induction program. We are looking at this. In fact, my colleague on my left has that as one of his responsibilities. But we do that. If they are a local government we take them through the conflict of interests issues and make sure that they are aware of all that. We give them an induction program that looks at our budget and at their responsibilities with regard to the legislation, et cetera. We make sure that they are totally across the framework, the sector and the bilateral arrangements. They need to be because some of the policy issues that they are supposed to advise the Minister about, including allocation methodologies, rental settings and Commonwealth rent assistance [CRA], are complex issues.

They have to have the expertise—and they do have the expertise—in order to make a decision about that so that they can be confident about given the Minister the right advice. Of course, the Minister can take that on board and he can say yes or no. What I am trying to say to you is that we do take them through those developmental opportunities. Of course we could always do more of it, but I think our process mirrors the process in corporate Australia and certainly in other non-government sectors in which I have been involved. I think we do it just as good as many and better than most.

CHAIR: Thank you very much. There are a number of draft questions that we have not got to but that we sent you. We tend to wander off a little. If you do not mind we will get answers to those questions from you.

Mr TAYLOR: No problem.

CHAIR: It may be that we will need to call you back. Our draft report is due in June and our final report is due after that. Your expertise might be needed again before the day is out.

Mr TAYLOR: Thank you. My Chairman, Reverend Tom Slookee, is on your agenda tomorrow. There might be an opportunity tomorrow to visit some questions that I did not answer today. I will be supporting Reverend Slookee.

CHAIR: I appreciate that; thank you very much.

Mr TAYLOR: I make the point that any recommendation of the Australian Government to look at the total housing needs of Aboriginal people in New South Wales would be most welcome.

Dr JOHN KAYE: We consider ourselves lobbied.

(The witnesses withdrew)

RICHARD LUCAS ESTENS, Chairman, Aboriginal Employment Strategy, PO Box 668, Moree, and

DANIEL JOHN LESTER, Chief Executive Officer, Aboriginal Employment Strategy, PO Box 184, Glebe, New South Wales, sworn and examined:

CHAIR: I think you have a list of questions that we sent you. The first question asks you to outline the role of the Aboriginal Employment Strategy and the services provided by your organisation. In light of that, do you have any other opening comments that you would like to make?

Mr LESTER: I will lead briefly. We are pretty keen to engage some dialogue. The whole purpose of this process is to identify the reality—what is happening in the community today, especially in New South Wales. The Aboriginal Employment Strategy exists to create a competitive human resource economy for indigenous Australians to compete with mainstream Australia. That is about moving forward. Today was very symbolic with the Federal Government acknowledging past policies relating to indigenous Australians. The primary challenge we face in overcoming the welfare mentality and breaking the cycle of dependence is one that is all before us.

For employees coming from families and communities where a generation of unemployment is the norm, a 40-hour week can be quite sustainable in working within the local economy. But during the other hours, working and living in economies where there is a high abundance of welfare is something that can pull down Aboriginal people. The challenge, certainly from our perspective, in moving Aboriginal people forward partially is about creating ways that our people can be more sustainable in today's society. We certainly see employment creating that important need. Job creation is important because of the uplifting effect employment has on communities. Jobs create effective and sustainable outcomes for Aboriginal people and Aboriginal communities start to rise up.

One of the noticeable omissions in Aboriginal affairs across Australia is the lack of corporate Australia's support and commitment toward addressing the need for sustainability, especially when it comes to employment. We now have before us an opportunity as corporate Australia is announcing a level of goodwill towards Australian society by stating, "We can rise to the challenge to increase Aboriginal employment." So I believe it is all before us. Jobs create pride, lift people away from welfare and allow ambitious families to encourage their kids into school and beyond.

To date, over 40 leading Australian organisations and government departments have signed on through the reconciliation action plans that are promoted by and managed through Reconciliation Australia. The majority of these include employment commitments and opportunities for indigenous Australians. In closing, creating successful and equal platforms for younger indigenous generations will be Australia's gain and Aboriginal Australia's positive step into the future. The noticeable things that we as an organisation tend to work closely with include three critical points that we believe are the foundations of success. One obviously is employment as that is our core business. The other is vocational training that leads to employment. It is not about training for training's sake; it is also about increasing education standards for the compulsory schooling system. You certainly see positive outcomes when a student, regardless of his or her culture, is fully engaged within that compulsory schooling system.

CHAIR: Dick, would you like to make a few comments before we go to questions?

Mr ESTENS: Yes. The Aboriginal Employment Strategy is a non-profit company, 100 per cent managed by Aboriginal people. It operates on nine sites across Australia—Moree, Tamworth, Dubbo, Maitland, Glebe, Blacktown, Campbelltown, Kempsey and Alice Springs. It was a company that was set up to engage Aboriginal people in the commercial world and in particular to partnership with businesses and corporate Australia. So it is a classic example of a private business and government partnership. We moved it from Moree down to Sydney to engage corporate Australian companies so that we could get an outcome right across Australia. I think this year we have over 200 kids working in the four major banks, let alone the jobs program, which is well in excess of 1,000 people in jobs this year.

CHAIR: Are you talking about Australia-wide?

Mr ESTENS: Yes.

The Hon. MARIE FICARRA: That is good.

The Hon. MICHAEL VEITCH: I want to spend a bit of time talking about the board structure. You are a company limited by guarantee under the Corporations Law, and did you say that you cover nine areas?

Mr ESTENS: Nine at the moment.

The Hon. MICHAEL VEITCH: How many board directors are there?

Mr ESTENS: Seven.

The Hon. MICHAEL VEITCH: How are they drawn?

Mr ESTENS: It is like a non-profit company, like a sporting body company. There is a majority of Aboriginal people on the board, so it has members and not shareholders. The members of the company at this stage are the board. We have not expanded the membership.

The Hon. MICHAEL VEITCH: One of the things we are looking at here is governance models.

Mr ESTENS: I understand what you are leading to.

The Hon. MICHAEL VEITCH: How do you identify the directors?

Mr ESTENS: Let me go back a bit further than that. The thing that has probably failed Aboriginal people over the years—if this is what you are leading to—is the community committee. You tend to get the wrong people on it, and you have to share profits and things and it has been a disaster generally. The AES is a young company; it tends to have younger people, and the board has changed quite a bit over the years. In modern-day thinking, you tend to need a smaller board so you get fewer divisions. That is why it is a seven-member board; it has four Aboriginal and three non-Aboriginal members. The appointment of the board generally on the white side comes from myself, and generally on the Aboriginal side it comes from the executive staff of the AES.

Back in the early days in Moree, I know that when I was chairman there Cathy Duncan, who was the chief executive officer, said, "Dick, it is really good that you are the chairperson, because the company cannot get corrupted by some of the older-style thinking because everyone knows they have to go through you to get to us young Aboriginal people that are driving a change." It was interesting to pick up that comment. At the moment the four Aboriginal directors on the board are Danny Lester and Nat Duckey, who is our retiring accountant-finance girl. We have Nat Walker, who works for KPMG, and we have Tanya Hosch from South Australia. From the non-Aboriginal side we have Natalie Walker, who works for KPMG, checking outcomes, and we have Arthur Sinodinos, who works on the non-Aboriginal side for us to have a high impact into Canberra.

The Hon. MICHAEL VEITCH: I think your assumption in relation to the question was wrong. I have asked this question of a number of organisations today. One of the things we are looking at is governance models.

Mr ESTENS: I think it is hugely important.

The Hon. MICHAEL VEITCH: I spent the last 15 years as the chief executive officer of a not-for-profit company limited by guarantee in the employment sector, so I understand a little about this process.

Mr ESTENS: But it is evolving all the time.

Mr LESTER: May I add to that. We appoint the directors based on their level of experience, knowledge and ability. That is going to enhance the vision of the organisation. Partially our vision is to be a sustainable organisation. We elect those who have a significant level of wealth in terms of a commercial, departmental or government knowledge base so it progresses the organisation into the future; it does not stagnate our direction forward. We have specific terms of reference attached to the board as well. The ability for us to ensure that we operate to a high optimum is one that we always manage quite well. We established an audit and risk committee, and we have established remuneration committees to ensure that it is transparent and that directors are not aligning themselves and benefiting themselves. It is about a transparent process that anyone can come and see at any time.

The Hon. MICHAEL VEITCH: Again, it is not a criticism; it is about teasing out a range of different governance models. With regard to the employment tenure, you talked about having limited outcomes. Could you talk us through your placement model and how it works?

Mr LESTER: Our business model is built on a relationship base that is driven by the need to engage corporate Australia first, enabling them to know what makes that organisation work in relation to their overall core business. What is it that they are looking for in relation to their workforce? What skill set are they looking for, what experience, and what knowledge, that is going to contribute towards that organisation's bottom line? It has been proven that this vacancy modelling certainly works well for Aboriginal jobseekers.

From a national point of view, we firmly believe that our model is far more reaching and more beneficial for long-term unemployed Aboriginal jobseekers. From establishing a relationship with the organisation, it is then our commitment to manage that ongoing relationship with key people within that organisation, whether it is the general manager, a supervisor or a team leader. That opportunity then stems through to jobs. We do not go out and, as the first port of call, ask the question, "Have you got a job?" If the answer is no, it is shut the door, see you later. It is about investing one's time to see more deeply what is it they want in relation to their workforce, and establishing that commonality in relation to a basic relationship. Technology has certainly dwindled that face-to-face conversation, and yet our business model is one that is out there constantly having a yarn with key people to enable those employment outcomes to occur.

Equally important is our engagement with Aboriginal jobseekers. It is not just us sitting down and waiting for Aboriginal jobseekers to walk through the door; it is us proactively going out there and seeking and having a yarn with Aboriginal jobseekers who are finding it hard to be engaged within the commercial world of work, and seeing what are the detrimental effects that are causing them to not be engaged in employment. There is a general myth that Aboriginal people just do not want to work because they are just lazy, they are welfare-driven. But there are a lot of elements attached to the reason why that non-engagement is occurring, such as the issues that you fellows are looking at in relation to your terms of reference. You will see some evidence that is really stopping that engagement within the workforce.

Through the engagement we have with the Aboriginal community, and more broadly the non-Aboriginal community as well—which is about the other service providers, and in particular the education sector—it is about how can we, from a holistic point of view, move that individual forward. So, from the point of the establishment of a relationship with the business first and foremost, to sourcing relevant jobseekers, also jobseekers come in to us on a voluntary basis. Part of our complimentary service model is it that that individual wants within their life. It is about reaching potential. Everyone in this room has a different level of potential in terms of where they want to be in their aspirations. It is about how can we capture that moment for us to maximise that potential from those individuals.

The complementary service model is one that is not driven by mutual obligation; it is not attached to the social security process. We are finding that that is benefiting Aboriginal people, because when they come through our doors to access our services they want to be there because they want to be engaged within the world of work—not because they want to fulfil a government's obligation. Where an employment placement is to occur in terms of job sourcing, it is then our ability to make sure it is the right person for the right job. It is a tough world out there, especially when we are working towards that 4 per cent unemployment rate, so to some degree loyalty has been thrown out the window and people are chasing the buck. It is about how can employers be more receptive

towards looking at retention. It is about making sure it is the right person for the right job. Once that individual is placed into a job, it is about mentoring. Our definition of mentoring from our organisational point of view is job retention. It is about how can we ensure, in three months or six months time, that that individual is still going to be within that organisation.

The Hon. MICHAEL VEITCH: I guess that post-placement strategy is what I am getting to. What is the tenure you are achieving now? How long do people stay?

Mr LESTER: Our rate is above the national average when you compare us with other employment organisations. In particular, our 26 weeks is above our internal key performance indicator. Currently we are around the 41 per cent mark in relation to 26-week retention. That is year-to-date contracts, that is, from July 2005 to the current time. The critical thing we have before us is that there is an amount of goodwill from corporate Australia. It is about how can we engage that level of goodwill and turn it into real, sustainable employment outcomes, to move forward rather than backward.

The Hon. MICHAEL VEITCH: Is the group training model part of your process?

Mr LESTER: It is. It is a new key business driver that we introduced within the AES. Dick introduced it back in 2003-04 on a very small scale, but we have since enhanced that. We are a group-trained organisation accredited within New South Wales, Queensland, Western Australia and the Northern Territory. The reason we went down that road was to further engage the ability for us to effectively manage and administer traineeships and apprenticeships on behalf of corporate Australia organisations. Typically we focused on traineeships, particularly the school-based traineeships. That is where we hold a significant success rate.

As Dick mentioned in the opening statement, at the end of last year we had new commencements of Aboriginal school-based trainees by 177. That is not just in New South Wales; it is in Queensland, the Northern Territory and also Western Australia, predominantly in the financial sector but also across other sectors, including agriculture and local government.

The critical success around the school-based traineeship program relates to the compulsory education system. It reverts back to providing a better opportunity in preparation for an individual's life when they leave school. The big, bad world out there in terms of the world of work is something that is quite daunting. If you can improve the level of transition from education to employment, the chances of retention will be somewhat higher. What we have been finding is that our level of retention in the school-based traineeship program over the two years is one that we are extremely proud of. Typically, nationwide the retention rate of school-based trainees is in the mid to high 30 per cent over two years. We are in the 60 to 70 per cent mark, and that is for specific Aboriginal school-based trainees.

What we are doing in relation to managing that group training process is something that is working quite well for us. The target is Aboriginal school students, but equally important is our corporate partners' demands in relation to making sure we have the right person for the right job. It is also increasing their youth workforce. As we all know and we all read, there is a growing ageing population in terms of the workforce. In particular, in the financial sector it is about how can we increase not just Aboriginal employees but the youth back into that financial world as well.

The other critical thing for our school-based traineeship from a financial sector point of view is that it is about increasing and providing more financial literacy back in communities. We all read and see the unfortunate issues around Aboriginal organisations going into administration. One would think that a solution towards that is to increase financial literacy, and it is something we are doing quite well.

The Hon. MICHAEL VEITCH: My last question relates to people with disabilities. What percentage of your workforce or client base are people with disabilities?

Mr LESTER: Part of our selection process for any of the trainees or any cohort of clients is that we do not discriminate against anyone. In particular for the area of disabilities, we do not publicly promote the statistics in relation to the break-up of the clients. It is certainly in the back of our minds.

In particular, we had some school-based trainees start this year who have disabilities. If you look at the individuals you would not know whether or not they had disabilities. The critical thing for us is that we do not discriminate; we allow that accessibility for anyone.

The Hon. MICHAEL VEITCH: I just wanted to know how many people with disabilities you have been able to service.

Mr ESTENS: May I add something. The success of the company is a good ethos and culture. The whole thing revolves around building people's self-esteem. The words that drive the company are "building pride, passion and commitment". We like to have high-impact offices in the main street. What will change an Aboriginal community is peer pressure coming from Aboriginal people. That is what drives the success of the AES—building peer pressure and identifying why corporate Australia was not succeeding with Aboriginal employment.

It is a heavy career path-driven mentality in the corporate world. Our school program starts with kids in years 7, 8 and 9, getting kids ready for SBTs at the end of year 10 because it has a drag-on effect for kids coming into high school. They can see their mates a couple of years in front of them coming back to school four days a week. One day a week they are working, with \$100 in their pocket. It is interesting to note that as our team is visiting all the schools in New South Wales and Sydney identifying kids for school-based traineeships [SBTs] we do not have too much competition from anyone else following in our footsteps.

CHAIR: What is your relationship with government, who are your targeted companies and how are you funded?

Mr ESTENS: Our targeted companies are those companies that operate in every regional town in Australia. The banks were the high impact ones that we wanted first up. Coles and Woolworths have been in our sights but it is harder to make Aboriginal employment work in those companies because they tend to be cold working environments—they are full of part-time and casual staff—which make it hard to keep the human resources [HR] side right. We are heavily targeting Australia Post at the moment. We tend to work from chairman and chief executive officers [CEOs] down. You do not get the impacts on the companies unless you have got them on board to start with. We were heavily loaded up doing banks Australia wide. Our biggest headache in the last six or seven years has been Federal bureaucracy, getting through them; it has not been Aboriginal people.

There has been a huge resistance coming from the perception that we are threatening their job network provider model, which has not worked for Aboriginal people. We were under the Department of Employment and Workplace Relations [DEWR]. I think the bulk of our funding comes from there. We have got a Family and Children's Services [FACS] contract, which works on building self-esteem. Last year 82 per cent of our income came from governments. We billed 18 per cent away from governments. A lot of that is coming from all the kids working in banks or on our payrolls. So we just overbill the banks and they do not notice it. They are good givers, as long as they do not realise they are giving. We get to put a bit on their bank statements.

The Hon. MICHAEL VEITCH: So they are your employees?

Mr ESTENS: Absolutely. We have over 300 Aboriginal people on our payroll now.

Mr LESTER: Part of our group training organisation model is that we are the actual employers for these trainees. We host them out to organisations to act on behalf of their workplace activity obligation. In addition to the major corporations, a huge success of our placements at a local level comes from the local businesses, the mum and dad organisations. They enable our success in certainly our regional sites to occur and also in our metropolitan and urban sites. It is a collective point of view in relation to how we engage. The employment opportunities start from the grassroots organisations right through to the multi national and international organisations that have got franchises within all the local townships.

Mr ESTENS: We would be targeting around 400 kids this year. Next year we want to be stepping that up to 700 or 800 kids. We think we can ramp this program out through the corporate world and get significant change on Aboriginal employment Australia wide.

CHAIR: What is the percentage of full-time, part-time and casual?

Mr ESTENS: This program has been ramping up for five years with smaller numbers initially. Generally at least 50 per cent of the kids are staying on with the banks full time. I suspect that will increase.

Dr JOHN KAYE: You mean full-time after they leave?

Mr ESTENS: After they finish. We have got banks helping kids through university now. We are bringing them to the table.

The Hon. MARIE FICARRA: You are doing so well with the corporate sector and you have the runs on the board. What would you like to see happen out of this Committee to assist you in what you are doing? Where do you think you should be looking? I am talking about employment, which you say he is predicated on education.

Mr ESTENS: Generally what has been the problem in the last 200 years is that the Aboriginal issue has been managed by bureaucracy essentially. The key thing to this whole exercise is getting the corporate world and people involved in it. It is partnerships, partnerships, partnerships. Governments have to facilitate to get it happening. The biggest battle, as I said earlier, is our Federal bureaucracy. It has been a shocker. It drove me to the extreme extent of my capabilities to get the company here up until the end of last year. It was a huge exercise. I have seen so many organisations put out of business, shut down by Federal bureaucracy that does not care what goes on in our towns that it just absolutely amazes me. That is what we apologised today for: the excesses of bureaucracy.

Mr LESTER: In response to your question, one of the areas that you could encourage is more flexibility in programs, in particular, the services of those programs. This continues Dick's point. Bureaucrats will tend to work specifically to what is within the policy and will not deviate by looking at a more flexible solution because the policy says this is what we must do. One of the detriments towards Aboriginal advancement is the fact that policy is not flexible in its approach. What you see is what you get. In some cases that is not the right response. Some great models in the corporate world have worked quite well. Those models have centred around sound governance, but also flexibility in their approach to the way that they service any particular product or client. Government needs to look at the way policy and programs can be more flexible and make sure that the level of accountability is not something that is going to be hindered through that process as well. There needs to be a solution based towards more flexibility within policy and programs.

Mr ESTENS: Generally the Aboriginal Employment Strategy [AES] is building self-esteem, building pride, getting creative thinking going. Looking at an Aboriginal community over the last few hundred years or so, governments tend to manage down, keep tight parameters and do not trust Aboriginal organisations. They are killing initiative all the time. Especially in light of what happened with the Aboriginal and Torres Strait Islander Commission [ATSIC] and the land councils. Those two government-imposed solutions just about destroyed non-Aboriginal people's credibility in what Aboriginal people can achieve. What is exacerbating it further is that for people who live in rural towns, 20, 30 years ago we looked after our towns within the towns.

With the advent of communications, faxes, mobile phones and emails, bureaucrats have progressively got pulled out of our local towns into regional towns and into Macquarie Street. Now all our rural towns in Australia are getting heavily managed down by bureaucracy. You are getting a bigger handout mentality in our towns now as well as from our people. We have got 2 million Australians on government handout now, and I think it is getting worse. You can see power coming from the big State bureaucracies is now heading to the political offices. As you manage down rather than delivering services at grassroots level, people's voices no longer get heard. As mistakes are made out there more laws are created to stop the mistakes, which kills initiative and kills the can-do. It is a vicious cycle out here.

The Hon. MARIE FICARRA: We have heard from Tranby College and the Aboriginal Educational Consultative Group. In terms of educational models, what would you like this Committee

to recommend with the ultimate aim of giving indigenous young people self-esteem, a job, a future, a home? What do you think we should be doing in the education sphere?

Mr ESTENS: Danny will tell you, but if you look at New South Wales from the vocational education side Western Australia, Northern Territory, Queensland tend to be well ahead of what is happening here. Do you want to comment on that, Danny?

Mr LESTER: Firstly, it comes back to the Aboriginal Education Review that was commissioned by then Minister Andrew Refshauge towards bridging the gap in relation to educational levels across the board, just to see the way things were at in relation to then and now. That point is continued by what the Prime Minister said today in relation to closing the gap and a new beginning. I personally believe in and continue the point that Dick mentioned—the whole education system needs to be reinvigorated to match the expectations of individuals when they are out there in the big bad world of work.

I still look at the relevance for me using a Bunsen burner in Science to today's practicality in terms of work. Yes, it was probably good, I saw some flames and the like. But if I was not going to be a scientist it has got no relevance for me. I firmly believe that the education system needs to match the need for continuum when an individual leaves the education system and enters into the world of work. I think the whole vocational training system needs to match the imperative nature of what it was established for, that is, to upskill people to be more competitive and more efficient in the world of work. Vocational training needs to be attached to employment outcomes and it needs to be attached to the reality of what business want rather than what the training system is required to do.

I firmly believe that vocational training, certainly in New South Wales, has some fantastic examples in terms of modelling that particular process forward, but there are also areas for improvement. Like everything, there always areas for improvement. But I would like to put forward that vocational training must be championed by an industry or a body that is going to enable employment outcomes to be achieved after the training has been completed. I tell you, there a lot of Aboriginal people Australia wide that have a lot of TAFE certificates, yet the unemployment rate is still at 18 per cent. Something is telling us that nothing is matching up. Obviously we hope to renew and review what has not happened in the past to what needs to happen in the future.

The Hon. MARIE FICARRA: With your limited resources, you have post-placement monitoring and mentoring and training. What limitations do you have in those areas?

Mr LESTER: Part of our model is based on mentoring. That is our success in terms of post-placement support. A lot of organisations in employment services model their post-placement support on being provided by another individual within that organisation rather than the individual who initially found and sourced the job for the jobseeker. Part of our obligation to the jobseeker is to ensure that that level of support is there for the individual if or when they need it. We do not necessarily say it is a blanket mentoring post-placement support process for all because not all will need it. It is based on an individual basis. The critical success towards moving Aboriginal people forward, certainly in the economic forum, is mentoring. It also leads to effective career development and career progression from that organisation as well.

Mr ESTENS: The whole thing is psychological in a lot of ways. Self-esteem is psychological. We all suffer our bad days. Aboriginal people have suffered more. That high impact office in a main street professionally managed 100 per cent by Aboriginal people matching it with other businesses has a huge peer pressure effect in the towns we operate in. Where you guys can help—Armidale, Narrabri, Gunnedah, I feel sorry for Walgett, Bourke, Coonamble and those towns. I have had many calls over the years to put AES offices in those towns. Many letters have been sent off to Federal bureaucrats to end up in bins. The government bureaucrats have been so badly burnt by ATSIC that they do not want anything to do with Aboriginal organisations. It has amazed them what we have done with the AES. There are 70-odd staff in the AES and there are over 300 on the payrolls. It is very professional and getting better outcomes for Aboriginal people than job network providers. Why in hell is somebody not backing us? We are ready to expand. We could be doing far more, but we are held back.

The Hon. MARIE FICARRA: That is what I want to know. You are such a success story, yet you have applied for funding and have always been knocked back.

Mr ESTENS: We are just a business out there that is getting runs on the board. I do not know. People say to me, "Why don't you get more support?" I say, "I don't know."

Mr LESTER: The critical nature in terms of our future is the ability for individuals to see that our non-compulsory complementary service model compared to that of other employment services works well and works better for Aboriginal jobseekers. Just compare the statistics.

Mr ESTENS: Yesterday we visited Jo Caldwell, the head bureaucrat in Australia on Aboriginal employment, to talk about going forward. She said, "We do not know. We cannot tell you anything. We have to wait for the politicians to advise us." That is all bullshit, frankly. She would know more than that. It was a wasted trip to Canberra in a lot of ways. We are off to see Jenny Macklin next Tuesday. She has been in our offices. Hopefully we can get more forward momentum.

Dr JOHN KAYE: Can we talk about inputs first? What percentage of your total revenue comes from the Commonwealth?

Mr LESTER: I would say from the perspective of last year—our annual report indicates this—81 per cent was government driven. I would suspect that 79 per cent of that comes from the Federal Government.

Dr JOHN KAYE: And 2 per cent from the State?

Mr LESTER: I would say less than that. I would say probably 0.5 of a per cent.

Dr JOHN KAYE: Of the bulk of your money that comes from the Commonwealth, what scheme does that come from? Is that Job Network?

Mr LESTER: No, it comes from the Department of Employment and Workplace Relations under indigenous employment programs.

Mr ESTENS: We have got our own funding line in the Federal Government through much hard work.

Dr JOHN KAYE: Are you the only people or organisation on that scheme?

Mr ESTENS: For years they have tried to force us, and held a gun at our heads, to turn ourselves into a Job Network provider but it has not worked for Aboriginal people. We have fought hard. It has been the political officers that have kept us in the game federally—not the bureaucratic officers. It has been a difficult exercise.

Dr JOHN KAYE: Forgive my ignorance, but why did you not want to be a Job Network provider?

Mr ESTENS: They tend to kill self-esteem and the AES is all about lifting, building and challenging people. Our role is to challenge people. Aboriginal people are free to walk into an AES office without being pushed or told they have to come to us.

Dr JOHN KAYE: Your concern is that as a Job Network provider people or unemployed youth would be directed to go to you?

Mr ESTENS: People perform better without being told.

Mr LESTER: They have to. As part of their obligation and government policy it is a requirement that they attend an interview that Centrelink provides with the Job Network.

Dr JOHN KAYE: So the people who walk into your offices are doing so entirely voluntarily?

Mr LESTER: Yes, it is a voluntary service.

Mr ESTENS: But they are the people we are looking for because when we are tackling the private business world it is not much good putting people in to private business that do not want to be there. It just kills us. Generally the psychology of the AES, as I explained to the people when we first started out, our target clientele is the middle third. What I mean by that is, you have a lot of Aboriginal people out there that have been pushed back into communities and are worried about putting their hand up too much. Government's tend to target the lowest common denominator: the problem area of crime and drugs and homelessness that soaks up government monies.

Of Aboriginal people, 30 per cent are doing reasonably fine through life and then you have this forgotten third. That is where you get a quick result. It is about building a mandate in the Aboriginal community to challenge that back end of the community to get that middle third into jobs. Once you get more than 50 per cent Aboriginal people going forward in the community you have got a changed community. Moree is out of the spotlight. You do not hear the big negatives that we have had in the past. We think we have probably got about 50 per cent going forward in that town. Dubbo is still a headache for us. It is an office that we have constantly had trouble getting stable good management to have the impact we have had in Moree.

CHAIR: Without making any value judgments, targeting the bottom third has always been a Government need—

Mr ESTENS: It is soaking up all the money.

CHAIR: —but that is where they have to be in all sorts of areas as a government instrumentality. You are telling us that you are targeting school leavers. It sounds to me more like the middle and upper third?

Mr LESTER: No, we target those who want to help themselves.

Mr ESTENS: Absolutely.

Mr LESTER: Dick's reference towards the middle third is Dick's personal view but the critical point of our success is that we help those who want to help themselves.

CHAIR: I am not making any value judgment on that, other than it is probably a great thing to do. You are targeting school leavers who are looking for jobs and coming to see you. The criteria is that they have a certain level of education and—

Mr ESTENS: We are not welfare workers: we are a business! We work the front end of the problem pulling rather than pushing. We work on building self-esteem and pride. We are not welfare workers!

Mr LESTER: Part of our customer or client base, if you want to call it that, in relation to all of our key business drivers commences from Year 10—because that relates to our group-training organisation—right through to the aged. There is no specific age group that we target. There is a cross-fertilisation, if you want to call it that, in relation to the age demographics.

Dr JOHN KAYE: To pick up on the point made by the Chair, you are looking at the people who have sufficient motivation to want to get a job. I presume that most of them—

Mr ESTENS: I know what you are leading to.

Dr JOHN KAYE: You probably don't but what I want to ask is, the people who are your clients, for want of a better word, I presume all have basic literacy and numeracy skills? No?

Mr LESTER: No.

Mr ESTENS: Some don't.

Dr JOHN KAYE: So you provide supplementation for literacy, numeracy and personal communication skills?

Mr LESTER: Yes. That is why we in the AES established our registered training organisation at the end of last year. That was to enable the up-skilling of the unskilled. It reverts back to my previous point that vocational training must lead to an employment outcome.

Dr JOHN KAYE: Sure but that is vocational training. I am talking more about the basic skills of literacy, numeracy and verbal communication?

Mr ESTENS: Generally the biggest thing is to lift Aboriginal people. I explain it in thirds so people can get a better understanding on how we are thinking and you can narrow in better. All you need is for one member of a family to come in through the door for us, we put him into a job and that has huge peer pressure on the other people in that family. It starts a process.

Dr JOHN KAYE: I do not think anybody here doubts that but I am trying to get back to who you are servicing? I repeat what the Chair has said that we are not trying to criticise or make value judgments, because I think your model is interesting and worthy of our attention in our report. I want to understand where it fits. I accept Danny that you do not accept Dick's third's model but let us just use it for a minute. I presume one third are people who no matter what you do they are going to get a job and be successful? People who basically have a rocket and are going to go? The bottom third are those who have—

Mr ESTENS: Drug, alcohol problems.

Dr JOHN KAYE: —substantial problems and (terrible language) they would be expensive to service?

Mr ESTENS: Yes.

Dr JOHN KAYE: Then there is the middle third who do not have those problems but without access to some kind of transition path they will get left behind?

Mr ESTENS: They tend to get left behind. Part of what we are doing is showing people with the AES that Aboriginal people can run a big extensive company and get it really right.

Dr JOHN KAYE: So there are two things happening simultaneously? One is the benefit of showing the AES as a corporate entity works?

Mr ESTENS: Yes.

Dr JOHN KAYE: The second benefit is getting people into employment that has benefits beyond the individual to the household and community?

Mr ESTENS: When you go in to a town and there is nobody working we pull from the top of the pack: not the bottom of the pack. You keep pulling down.

Dr JOHN KAYE: Where do you stop in terms of literacy skills, numeracy skills, personal problems and issues? How far does your model go? I am using very crude language here, that I am sure is not politically correct, but I am trying to understand the breadth and applicability of the model you are presenting to us?

Mr LESTER: The model that we are presenting to you guys today targets employment outcomes in both the blue-collar and a white-collar sector. So it reverts back to individuals who may have high literacy and numeracy skills or who may have low literacy and numeracy skills and may want to elect to work as a labourer. The critical thing around the success of our model is the right job for the right person. Our model does not specifically target any cohort of community. We work with all those who want to progress themselves within the world of work. It also includes individuals who

have got a diverse range of literacy and numeracy skills but also those from high to low socioeconomic parallels as well.

Mr ESTENS: Danny is right. In reality what walks in our door is not the top third first, then the middle third and then the bottom third. We get a range of people walking in our door. I guess that came from sitting down with Aboriginal people in Moree when I first started out when they tried to put every Aboriginal person in a job. I said, "Listen fellas we are getting a high failure rate here. It will kill us as an organisation. You have got to think about this a bit." All you are doing is essentially pulling from the top of the pack. Those that come in the door and gnaw at us the most get jobs.

Dr JOHN KAYE: This is a question to you personally Dick, and where you are coming from philosophically, not as the chair of AES. You have no objection to the Government spending money on, for want of a better expression, the bottom third or the third of the population that has severe problems. What I am trying to impact is your language about their soaking up all the money. You do not mind that money is being spent there provided—

Mr ESTENS: You get an outcome.

Dr JOHN KAYE: —sufficient resources are also allocated (your language) to the middle third to ensure they reach their potential? Is that correct?

Mr ESTENS: Well if you think about it, your problem towns and communities soak up all the bureaucratic horsepower and all the money horsepower.

Dr JOHN KAYE: Given what you have said about the bureaucracy, from your perspective you might see that as a good thing?

Mr ESTENS: No, because I think part of what bureaucracy has to do is to identify things that are working and get behind them, not kill them. Lyall Munro said to me when we first started off in Moree, "Dick, with Aboriginality in Moree our problem is governments." I said to Lyall very clearly, "It is not governments. Let's see what we can do over the next few years. We will drive for change." At the end of three years, when we got a significant turning in Moree, two bureaucrats turned up—this is in 2000—and said, "Dick, your three years are up. No more funding. Go home. We don't need you any more." I went and saw Lyall and I said, "You were right, mate. The Government is the problem." Here was an organisation where we had turned the town around. What happens with Aboriginal organisations is people get funded for a few years and bang the funding line is pulled. They fall down. They find another job and build up for a couple of years. Bang, the funding line gets pulled. They start off over here—

Dr JOHN KAYE: Part of what you are saying is that there is a need for continuity in funding for those things that work?

Mr ESTENS: You think about what is happening. You know 20 years ago Federal governments gave State governments monies to build more bureaucrats to tackle social welfare issues and look at what has happened in the last 10 years? You look at Mission Australia, Anglicare and Salvation Army? They were all \$10 million or \$15 million businesses: now they are \$300 million and \$500 million businesses. Governments are creating these private enterprise government-business partnership models. That is all the AES is!

Mr LESTER: I think it goes back to Rome was not built in a day. 200 years have passed and the issue around closing the gap is more profound than ever before. One of the issues that we have within Australia as a whole is to look at the benchmark data we want to achieve within one fiscal year and how to ensure the level of accountability attached to that benchmark data is achieved through the funds that are handed out to specific organisations or services. It goes back partially to the Government's framework. One of the omissions has been the hard line to say that if the program or service is not working, why fund it? Back a service, organisation or program that has seen effective change. It is change in people's mindset that is moving communities forward. We are not the only organisation that is working well—there are others out there—but we have taken the firm view that Rome was not built in a day, and sustainability in relation to continuity of funding needs to be paramount as part of flexibility in policy programs or services that governments commit to.

Mr ESTENS: You have got to build on success.

CHAIR: Have you got identifiable benchmarks as to measuring success?

Mr LESTER: We certainly do. One of significance is towards the public dollar. If you find an Aboriginal person being placed into the world of work the effects to the taxpayer of them not being on work for the-dole or a welfare recipient is absolutely enormous.

CHAIR: Do you have those documented anywhere?

Mr LESTER: We have got them. We can table them as part of this Committee hearing.

CHAIR: I ask you to do that.

Mr ESTENS: It would be worthwhile to come over and look at the absolute professionalism of the office and what people are achieving. We are doing a top job on our managers. We could do a better job on our employment coordinators. They are the people visiting the businesses and building relationships. We are only just getting training programs underway with them. It is only over the past few months that we have received funding to develop our staff at that level. We are still evolving the company and it will probably take another year to get it all exactly where we want it.

CHAIR: We are scheduled to visit your Dubbo office.

The Hon. MARIE FICARRA: While you are providing statistics, can you give us the retention rates of people you have placed in employment? That would be excellent. Are you measuring those retention rates as part of your success?

Mr ESTENS: It is hard because we put some people in jobs that have no full-time potential. It is hard to work that out. It was pretty easy in Moree, Tamworth and Dubbo because I could track it more effectively. It was interesting to watch those three towns. Generally we found that 60 per cent to 70 per cent of the potential full-time jobs lasted 13 weeks and 50 per cent to 60 per cent of that potential lasted 26 weeks. Sadly, at the end of 12 months about 10 per cent were still in a job. I know that our numbers have improved on that. It was stated that 41 per cent survive 26 weeks. That includes jobs that were never going to be full time.

Mr LESTER: They are short-term placements to re-engage the disengaged—that is, the long-term unemployed.

Mr ESTENS: We now have a package that allows us to do a better job with that going forward.

The Hon. MICHAEL VEITCH: Can I have the figures broken down into those on your books and paid by you under the group training arrangement and after that as well?

Mr LESTER: Yes.

Mr ESTENS: Essentially it is a psychological game. As was said yesterday, every time a bureaucrat impacts on an organisation it is about how we are going to make these people feel proud of themselves, how can we build them. The sad thing about the Aboriginal and Torres Strait Islander Commission and the land councils is the mistrust about Aboriginal people managing money. If you provide money you tend to get a committee of the wrong people. Some just go for the money. It is a disastrous situation. There must be a clean cut between the old and the new. That is where corporate governance is hard. There is an elder side of the Aboriginal community that can lean on the young ones, but it is hard to get that clean break between the old and new models.

The Hon. MARIE FICARRA: You have put in a lot of your own time over many years. What has motivated you?

Mr ESTENS: The failure of the bureaucracy.

The Hon. MARIE FICARRA: You have been involved for a long time.

Mr ESTENS: People ask me that. Lyle Munroe said to me, "I realised after a while that someone had to carry through and produce an Aboriginal organisation that worked for Australia just to prove that Aboriginal people could do it." Right up to 2003, the attitude in Canberra was that Aboriginal employment was an intractable problem and no more money should be wasted on it. The department's records show that it underspent on Aboriginal employment. Someone had to take them on and prove that Aboriginal people could do it. I guess I understood the issues after three years in Moree and that it had to be taken further.

The Hon. MARIE FICARRA: Good on you. You still have the fire in your belly.

Mr ESTENS: Those bureaucrats fuel it.

The Hon. MICHAEL VEITCH: Does the model you are using exist anywhere else in Australia?

Mr ESTENS: No, they were put out of business.

The Hon. MICHAEL VEITCH: You should look at the disability sector. I was not in the job network; I was in the disability sector. You would find that they use a very similar model.

Mr ESTENS: It is common sense. It does not take a brain surgeon to nut it all out.

The Hon. MICHAEL VEITCH: That is why I asked the question about disability participation. As has been discovered throughout today, they seem to be missing out.

CHAIR: There are many more questions and we could spend many more hours talking about this. As you are aware, the Committee will table a draft report by June and the final report after that. We may call upon your expertise for more help and information. We appreciate your attendance today and the importance of the information that you have provided.

Mr ESTENS: I hope you have Noelene Briggs-Smith on your list. Her work out of Moree on the family history unit is hugely important. It is not happening anywhere else in the State. It is like building a new house: if the kids have crook foundations—

CHAIR: We now have her on the list.

Mr ESTENS: She is a must to talk to and to visit.

CHAIR: We will be visiting you in Dubbo shortly.

(The witnesses withdrew)

(The Committee adjourned at 5.36 p.m.)