

REPORT OF PROCEEDINGS BEFORE

STANDING COMMITTEE ON STATE DEVELOPMENT

**INQUIRY INTO ECONOMIC DEVELOPMENT IN ABORIGINAL
COMMUNITIES**

CORRECTED PROOF

At Dubbo on 5 April 2016

The Committee met at 11.30 a.m.

PRESENT

The Hon. G. S. Pearce (Chair)

The Hon. R. H. Colless

The Hon. C. Houssos

The Hon. N. Maclaren-Jones

The Hon. M. Veitch (Deputy Chair)

CHAIR: Thank you for coming to this hearing of the Standing Committee on State Development. Today we will be taking evidence in respect of two inquiries the Committee is currently undertaking: the inquiry into regional planning processes and the inquiry into economic development in Aboriginal communities.

At the outset, I acknowledge the Wiradjuri people, who are the traditional owners and custodians of this land and, on behalf of all of us, I would like to pay respect to elders past and present and extend that respect to other Aboriginals present. Today is the second hearing for both inquiries; the first hearings were held in Sydney.

In relation to the inquiry into regional planning processes, the Committee is seeking ideas that will stimulate regional development and reduce the time and complexity involved in the planning approval process while maintaining community expectations regarding the environment and the economic aspirations of local businesses. In respect of the inquiry into economic development in Aboriginal communities, the Committee is keen to investigate how economic development can provide jobs, resources, opportunity and education for Aboriginal communities in New South Wales.

The Committee will visit other regional centres as part of these inquiries to visit stakeholders and conduct hearings. Today's hearing will see the Committee take evidence from witnesses including Dubbo Aboriginal Land Council, Dubbo City Council, the Murdi Paaki Enterprise Corporation, the Local Government Planning Directors Group and the Orana Regional Organisation of Councils. Some of these witnesses will give evidence in respect of both inquiries while others will speak only to matters relating to one.

Before we commence, I will make some brief comments about the inquiry and the procedures for today's hearing. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing so I urge witnesses to be careful about any comments they may make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take questions on notice and generally they are asked to provide answers within 21 days. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. Finally, I ask everyone to turn their mobile phone to silent for the duration of the hearing.

DARREN TOOMEY, Chief Executive Officer, Dubbo Local Aboriginal Land Council, sworn and examined:

CHAIR: Would you like to make an opening statement?

Mr TOOMEY: Yes. First of all, welcome to Dubbo. Thanks for the opportunity to give evidence today. The evidence that I will be giving today will be my own opinions as the chief executive officer [CEO] of the land council. I have been there just on four years. I have been involved in a couple of projects so I just want to discuss those. I will also be providing some documentation for the Committee too, if they would like.

CHAIR: Go for it.

Mr TOOMEY: As you know, the New South Wales Land Council has basically an economic development policy, which is a set of guidelines to help local land councils get into some sort of business. I present that to the Committee.

Document tabled.

Mr TOOMEY: Also we have just signed off on our community land business land. Each land council within New South Wales under the Act is required to develop a community land business plan. So I present a copy of that and I am now ready for questions.

Document tabled.

CHAIR: Would you like to give us an outline of how the land council is operating and what assets you have?

Mr TOOMEY: Our land council in Dubbo has about \$9 million in assets, and that is including social housing properties, our land holdings and our office buildings. We are cash poor, like a lot of land councils out this way, unlike our brothers over on the Central Coast—they are doing pretty good. With the economic development policy and the committee push from State land councils we are going to set up regional economic developments. For example, Nyngan has a great opportunity out there with solar panels. Dubbo in itself has a lot of potential with the land council. As I said, we have a lot of vacant land and now with amendments to the Act we can actually sell off that land to put some cash flow into the land council.

Also, as a result of the community land business plan my board has established a local economic development committee with representatives from the community so they will be helping to assist us reaching our goals with our community land business plan over the next five years. In that we have identified two possible development projects. One is obviously our current location at the corner of Wingewarra Street and Darling Street. We have a massive block there and we may be looking at knocking that down in the future and rebuilding. There is a great opportunity for commercial rent and setting up a base there.

Bourke Hill is another piece of land that we have. If you flew out here, you would have come past that on your left when you came into town. It is a massive block—I do not know the actual size but we are looking at redeveloping that in the long term. It is currently zoned as recreational but it is obviously time to start negotiating with council and putting plans forward for that. In saying that, the land council does not have the capacity internally so we would be seeking extra fees or partners to come on board. We have done that in the past with other projects, for example, one is the NBN rollout in Dubbo, although that was not successful. I was approached by Downer about 18 months ago. They have a recreational action plan. We have started negotiations, like I said 18 months ago, right up to the stage where we engaged with another partner through a memorandum of understanding [MOU].

They came and assisted us with the negotiations, liaison and consulting. We got to the stage where we were promised a contract from Downer just to do the rollout; that is from the kerbside to the house, the hooking it up, but for some reason—and I am frustrated that it happened—we got down to Canberra and they said it does not fit the guidelines. We had 20 Aboriginal people ready to go. We were going to train them up to do the splicing and also we were negotiating with Downer to do the mobile. We were going to do the work here in Dubbo and then we would go to the other communities with them and do the same—liaise, consult with the local land council and bring other Aboriginal people from that community on and assist them with the training

but for some reason when we put the funding through, the set-up funding basically for mentoring and training was knocked back.

CHAIR: Knocked backed by the Federal Government?

Mr TOOMEY: Yes.

CHAIR: Do you know which department—Communications?

Mr TOOMEY: They put us through the Indigenous Advancement Strategy [IAS] Fund.

CHAIR: And you were not given any reason?

Mr TOOMEY: We basically did not fit; they moved the goalposts on us at the last minute. There was a lot of time and effort put into it and obviously our partners also put in a lot of time and effort; it cost them money because we did not have the money to pay it up-front. Obviously we negotiated with them and if we were to get the contract then we would reimburse them down the track. Another project that we are just waiting for word on is the Driving Change program through Roads and Maritime Services. We have what they call a conditional letter and we were given what is called a panel deed. Basically they have accepted our budget, our program. We missed out on the first round and now we are just waiting in anticipation that we get that contract.

Now that program is worth—we put in for Dubbo, Condobolin and Wagga Wagga and it is worth just over \$2.1 million. It is a driving program to assist Aboriginal people to get their L and P plates. It is all about capacity building. Obviously, as you all know, they need their licence to get a job and they move on from there. They are two of the major projects; obviously the Downer one has gone but we are waiting in anticipation for this one. Previously we did some training when the State Government was talking about the Cobbora coalmine. We did train some people up to get their HR licences and that was with the Ministry of Transport, the local member, Troy Grant, and the Federal member, Mark Coulton, so it was a joint project. Those 30 people got their licences; it was very successful, but obviously the State Government decided it did not want to go into the mine so we missed out again. It has been very frustrating since I have been with the land council for the last four years. We will just keep on trying but they are some of the major projects that we have been working on.

CHAIR: A lot of effort goes into those.

The Hon. MICK VEITCH: Mr Toomey, thanks for coming today. You mentioned a bit earlier about mentoring. Does your land council do any work with mentoring of local Indigenous people who are starting up their own business, for instance, or looking at skilling up to start their own business?

Mr TOOMEY: No. Our core business is obviously to manage land acquisition. We provide some welfare assistance through airport vouchers. That is all. We collect some commercial rent and we have social housing. At the moment that is all we do but obviously we need to expand into other areas to generate income because at the moment the land council—

The Hon. MICK VEITCH: You are asset rich, cash poor.

Mr TOOMEY: Yes, so we are looking at other ways to form partnerships and move forward. Like I said, we have a lot of potential and over the next few years we will have a lot of young people coming through. Housing is a big issue and obviously employment and training. As you know, the last report on "Closing the Gap" is getting wider for some reason. In 2016 Aboriginal people are still struggling in this country with employment, training, education, housing and health.

The Hon. MICK VEITCH: Has there been any follow-up of those individuals who got their HR licence as to what they are doing now? Have they moved on to drive trucks for other companies?

Mr TOOMEY: Not at the moment. Some may be doing a bit of work here or there but I forgot to mention that we have been in negotiations with Alcyone Resources Ltd. The mine just opened with a 90-plus year lifespan. We are looking at pushing through an employment strategy. My understanding is once it goes into operation that 260 people will be employed. We are looking for a minimum of 10 per cent for Aboriginal people, so we are looking at doing some training there. We have lost contact with them at the moment but we

are looking to revisit that and working with another committee or another group to actually establish that employment strategy to make sure that we get people employed.

The Hon. MICK VEITCH: In your opening remarks you mentioned the board setting up an economic development committee. How do you see that rolling out? What is its role?

Mr TOOMEY: I see that as a very positive outcome because we have representatives on the committee that have been approached who are on council, very prominent people from within the business sector, so that will assist us in reaching our goals in the next five years.

The Hon. MICK VEITCH: What are those goals?

Mr TOOMEY: Project management. We are looking at developing our projects and building up our capacity within the land council, generating some income so that we can actually do something instead of just waiting for our quarterly funding from the State land council; the funds will be automatically there. We need to be compliant. As you know the Land Rights Act is very strict, if you miss something. We are looking at forming a business model, even if we go into mentoring. Even if we set up a consortium; we have talked about setting up a consortium of local businesses in Dubbo.

We did have a workshop in Dubbo at our land council office early last year. We had different people from different business sectors there talking to the mining industry. So with setting up a consortium we would go into that because a lot of these small businesses haven't got the capacity to put in for these contracts so we would go in, set up a consortium, get the experience, win the contract, filter those contracts down and everyone wins. There is a big enough piece of cake from everybody if we work together. That is the problem; we need to work together. If we do not, everyone is just fighting for the crumbs.

CHAIR: When you get one of these training contracts, who actually does the training? Do you have to do a partnership with TAFE?

Mr TOOMEY: The zone office does some internal training within the land council; they do the Government's training or might do some financial training. We do a lot of outsourced training. At the moment I have a group doing the business and frontline management. We are always looking to train people up and utilise our facility for our people.

The Hon. RICK COLLESS: The land you mentioned is currently zone recreational, I think?

Mr TOOMEY: Yes.

The Hon. RICK COLLESS: That land has been given to the land council.

Mr TOOMEY: All the land that we have acquired is through successful land claims and that is another issue too; we are still waiting on a number of other land claims. As you all know, it takes a while for those land claims to be approved.

The Hon. RICK COLLESS: But that area you are talking about has been finalised?

Mr TOOMEY: Yes.

The Hon. RICK COLLESS: If it is zoned recreational now, what do you plan to do with it and what sort of zoning do you require over it?

Mr TOOMEY: We are still in negotiations. Obviously it is only in the early stages but the board will discuss the possibility of residential.

The Hon. RICK COLLESS: Is it close to town?

Mr TOOMEY: Very close to town. It is just past the old Gordon Estate that we all know. Rosewood Road they call it now—just on top of that area, so it is ideal for residential.

The Hon. RICK COLLESS: The issue of zoning for Aboriginal land has come up a few times in the last hearing. Do you think that land owned by land councils should have some sort of separate zoning on it to give you more autonomy about what you actually do with your land?

Mr TOOMEY: I agree. When we eventually get a land claim it is great, but you cannot do nothing with it. So they give you something and they stop you doing anything with it. At the moment, the land we got costs us money at the end of the day because we have got to keep the grass low and keep it maintained, and we have not got income to do that unless we lease it out. Obviously that needs to be negotiated. If we do get a land claim we should be automatically able to do something with it.

The Hon. RICK COLLESS: In relation to land claims, do you find that the State and Federal legislation is in conflict in some instances?

Mr TOOMEY: Yeah. I have not read up on it, but I know there is a review. We just had a recent forum about it. I did not attend, but one of my board members did. I will be getting an update off them. Both State and Federal always contradict themselves and it makes it very confusing for people outside the land council.

The Hon. RICK COLLESS: They give you the land with one hand but the other hand will not let you do anything with it.

Mr TOOMEY: That is true, yeah.

CHAIR: The land claims that are outstanding, what sort of properties are they and is there any reason that it should take forever to get these things done?

Mr TOOMEY: That is probably a hard question to—probably we have got land claims across our boundaries, so they could be residential, they could be Crown land just out of town, so we have a good mixture of land claims or land that we have acquired. But I need to look at the land claims more thoroughly. Most of them are sort of recreational.

The Hon. RICK COLLESS: What area does your land council cover?

Mr TOOMEY: Just the Dubbo area. This is the central region of the land council.

CHAIR: Do you have a large portfolio of social housing?

Mr TOOMEY: We have 60-plus properties.

CHAIR: Okay.

Mr TOOMEY: At the moment another organisation manages our properties because our resources in the land council is not that good, so we offset them to another organisation, but 60-something properties. The population of Dubbo is growing every year. I know we have got a census coming up very soon, but that does not give us a good reflection of how many Aboriginal people are in Dubbo; we have transit. We need more emergency housing; we need more suitable accommodation for our young people; and we obviously need more accommodation for our elders.

CHAIR: Is your housing provided to your community?

Mr TOOMEY: Yes, just for Aboriginal members of the land council, so it is social housing. And then obviously we are looking at once we get on track and get some businesses going, we actually want to buy some more properties or build on our vacant blocks of land and build the capacity up and allow some of those members that are—obviously if their circumstances change, the possibility of buying that house, so it is about capacity building.

The Hon. COURTNEY HOUSSOS: Do you have the titles to those particular social housing properties?

Mr TOOMEY: We have about 50-something properties and we manage a number of other properties, about six, for Aboriginal Housing Realty [AHR].

CHAIR: What organisation have you contracted the management to? Is it a real estate agent?

Mr TOOMEY: Aboriginal Housing Co-Op. They manage our properties.

CHAIR: They allocate the housing, collect the rents and do all of that?

Mr TOOMEY: No, we still do the allocation internally and they just manage the day-to-day operations of the houses.

CHAIR: That works well, obviously?

Mr TOOMEY: Yes.

CHAIR: That is good.

Mr TOOMEY: A lot of land councils are bed-leased, but we are still registered under AHR, through the Provider Assessment and Registration System [PARS], so we pay them a fee to manage our properties.

The Hon. COURTNEY HOUSSOS: In one of the submissions we have received about regional planning the local council talked about the need for rental accommodation in Dubbo, and that that is a growth area. Not necessarily having affordable housing for people to buy but having affordable housing for people to rent is a crucial problem. Do you see the land council as being part of the solution to that emerging problem?

Mr TOOMEY: Obviously our main focus is on our members and our Aboriginal community but, like I said, if we get a bit of momentum, we have got a lot of vacant land in and around Dubbo and there are options there that we can open it up for rent for non-Aboriginal people down the track. But my main focus is my members in my Aboriginal community, if I can get them housed, because we know the difficulties of the issues that we have. But there is no reason why we cannot work with council to move forward and improve rental housing in Dubbo.

The Hon. NATASHA MACLAREN-JONES: Do you have any outstanding land claims at the moment?

Mr TOOMEY: Yes.

The Hon. NATASHA MACLAREN-JONES: How long have you been waiting and where are the blockages?

Mr TOOMEY: They are just all scattered around within our boundary. Last time I counted, there was close to nearly 100 land claims.

The Hon. NATASHA MACLAREN-JONES: On average, how long do you wait to get an outcome?

Mr TOOMEY: Ten years, roughly. That is not just here, that is right across the land council. It does take a good time, and obviously we get notices that the land claim has been declined, for whatever reason, but State land council monitors that for us.

CHAIR: In terms of those claims, are there still parcels of land you are identifying that you are claiming?

Mr TOOMEY: Yes, all in.

CHAIR: So it is an ongoing process?

Mr TOOMEY: Yes, we get notices, say, from council. We worked with the local council in relation to one of the primary schools, preschools. We have got a land claim on the block, and they approached us; Troy Grant's office approached us. They wanted to do an extension so they could get more kids within the school, and

we did a part withdrawal land claim, which we can do at a board level, and that has been successful. Another issue, we just had one of the rural fire brigades—council approached us—they wanted to put up a small shed within our land claim. We said yes, so we did a part withdrawal so they are allowed to build that to allow a service for the people in rural areas. This land council, we are wanting to work with all people and all businesses, and we have shown that through doing that sort of stuff.

The Hon. MICK VEITCH: At our inquiry in Sydney we heard from the NSW Aboriginal Land Council [NSWALC] and they spoke about a \$16 million fund they have now set aside, which is aimed at stimulating their own businesses. Is part of the plan for this economic committee you have set up with your board to look at somehow accessing some of that \$16 million for local businesses that you might want to assist?

Mr TOOMEY: That is correct, definitely.

The Hon. MICK VEITCH: At the meeting I asked Mr Ah-See was he looking at—this is my term, not his—hitting up the State Government dollar for dollar for that \$16 million so we can make it \$32 million to make it a much larger fund and then maybe look at other partners coming in as well to make it a substantial fund. Do you think there would be interest from local businesses that would partner up to help if you were successful in getting some of that money?

Mr TOOMEY: Definitely. For us to build the capacity with interest in Dubbo is obviously funding from the Government or State, but also working with partners, local developers. As you know, Dubbo is growing. We have development all over the four areas of Dubbo, so it is about working with the other businesspeople. I see that the land council is sitting in a good spot at the moment with our land, so we will be working with those businesses down the track.

CHAIR: What would help you in respect of getting those partnerships going? You have a few that you have personally driven, obviously.

Mr TOOMEY: Just getting a contract or getting a program. If we get this driving change program, we can prove ourselves that we are good enough to get it and be successful, and that would put us in a good spot for future program delivery. It is just getting that first one.

The Hon. MICK VEITCH: The conversion.

Mr TOOMEY: Yeah. We have got smaller programs. We have homework centres, PACE, Parent and Community Engagement programs no longer exist, but it is engaging the kids to come and do homework and their parents. But if we get one of these particular programs, I think the land council will move forward very quickly.

The Hon. COURTNEY HOUSSOS: In respect of accessing government funding for a service, are you saying this would be the first major source of funding for the land council other than, obviously, your general work? Would the driving program be the first one?

Mr TOOMEY: Yes.

The Hon. COURTNEY HOUSSOS: Can you talk to us about some of the problems you have faced in accessing that government funding source?

Mr TOOMEY: Just with the internal experience and skills. We probably need to get more training within our network ourselves, so there should be more opportunity for chief executive officers and senior staff in the land council to get training, even doing a business degree. At the moment, if you are seen as having the skills, you have a good connection to businesses and obviously the land council is going to move forward. If you have not got the skills, obviously you are going to struggle, and then obviously the board could guide you through that. More training internally with the land council network; obviously doing a business degree would be ideal. That way you form more partnerships, basically, and then move forward from there. I think the next State land council is starting to realise with so many changes to the Act, with the amendments, as you know, we basically need our members to support land councils.

For example, for the last couple of years we have struggled to get our members to meetings. These are our voting members. For example, if we have 300 voting members, we need 30 people to turn up to a legal

meeting, so we have struggled. We are not the only land council, but we have struggled to get our business done. If we miss a specific deadline, we lose funding. I know that happened the first year I started. We had everything ready to go, financial reports, everything ready to go. We could not get our members to the meeting. Obviously there was a specific deadline; we missed it. We finally had a meeting on our fifth attempt and we had to put in what we call a Notice of Dispute to the State land council in relation to our funding, and we lost that. We lost \$60,000.

The Hon. COURTNEY HOUSSOS: Do you mean skills of a more general business nature or do you mean in terms of drafting submissions and funding submissions and things like that?

Mr TOOMEY: I think it is a mixture of both. It is obviously about coming here and talking to committees, business submission writing, because with a couple of these submissions that we put in, we went through a memorandum of understanding with our partners, so they come in good faith to assist us in doing that, and also the community land business was done through a consultant through volunteers. Because, like I said, we have not got the money to pay up-front and we are always looking for members and partners to come on board. We also negotiate with local lawyer firms and that to do some pro bono stuff with us for licensing agreements and stuff such as that. It is about thinking outside the square. We have not got the budget. Wish we did. If we had the money, we would just go, yeah, we will put out for tender, get a consultant in, but we have not got it.

The Hon. MICK VEITCH: In your partner are you looking at technical assistance and submission writing? You make those competitive bids for funding and you seek a partner. Are you seeking partners for financial advice, or are you seeking partners more for their expertise and technical capacity to draft and construct your tender?

Mr TOOMEY: Expertise and obviously if we win the contract or get the funding, then we will pay them at the end of the day. That is how we have been doing business the last couple of years since I have been here. We have put in some good submissions. In the Indigenous Advancement Strategy [IAS] funding round, we put in five small programs—unsuccessful in all of them. It has been frustrating, but like I said, we will soldier on. If we get this contract, we will be—

The Hon. MICK VEITCH: When you miss out on those submissions, do you ring up the respective government department and ask them to provide feedback sessions for you so you can improve the process?

Mr TOOMEY: Yes.

The Hon. RICK COLLESS: Do you have anybody that is mentoring the organisation in the preparation of those submissions or are you flying blind?

Mr TOOMEY: Just with our consultants, they have a lot of experience and I sit down with them.

The Hon. RICK COLLESS: They would have the experience to write them and tell you what information you need?

Mr TOOMEY: Yes, I present to the board and the board provide guidance with it. Plus we have other people in the community. We have the Dubbo Aboriginal community working party and representatives on that to provide guidance and we work together as a partner; we have a good relationship. And, obviously, local government.

The Hon. NATASHA MACLAREN-JONES: You said the Dubbo working party?

Mr TOOMEY: Dubbo Aboriginal community working party.

CHAIR: Your headquarters is obviously quite a big project if you were able to redevelop it. Is there any organisation or group or anything available to help you with the planning, preparation and project management of that?

Mr TOOMEY: We have colleagues from the State land council that can assist us and then we have local contacts here in Dubbo that provide some guidance for us.

CHAIR: The State land council has people with the skills to undertake the project?

Mr TOOMEY: We have the zone office in Dubbo. With the establishment of the economic development policy they have somebody that assists. They have set up a committee that will assist us step by step through the process.

CHAIR: I am struggling to understand how you will deliver such a big project. What resources does the land council have? I assume you have an assistant or a couple of other people working there?

Mr TOOMEY: Not at the moment.

CHAIR: Just you?

Mr TOOMEY: And the board.

CHAIR: The board are volunteers?

Mr TOOMEY: Yes. We have the establishment of the economic development committee plus the zone office.

CHAIR: That will help. What would you do differently if you could get these things underway? I know it is a hard question. We are struggling with hard questions. It is obvious when you have the property and the general idea that it should work. How much difference will it make to your ability to provide social housing? How do you unlock it and get it to happen?

Mr TOOMEY: Probably debrief or an evaluation once you are unsuccessful. You sit down with the appropriate body and say, "Where did we go wrong?", because that application was not good enough. In some cases the application could be spot on. As we know, some organisations get funding every year. I don't know if it is because they have the contacts. That's my opinion anyway. I know a lot of organisations that are getting funding and the poor old land council we do not get a jersey. If we do we can prove ourselves but until we do that we will continue to struggle. We are the oldest organisation and have been around 30 years, since the Land Rights Act. We have a large membership of 300-plus. We have the network, we have the people that we need to drive it but just cannot get across that line.

CHAIR: You were mentioning the problem of getting a quorum at meetings. I live in an apartment building and we can never get a quorum.

The Hon. MICK VEITCH: I do not go to those.

CHAIR: I know, no-one goes but it still all operates really well. Is it necessary? Is that something that should be looked at?

Mr TOOMEY: I would like to see that we have the members' meeting once a year and we have a skill-based board that drives the organisation. Unfortunately, until we get to that day where they decide to do that we are governed by the Act. We have got our four meetings a year, including the annual general meeting, and if we do not have them we lose our funding.

CHAIR: Four meetings, is it?

Mr TOOMEY: Yes. Especially when we struggle to get members to the meetings.

The Hon. COURTNEY HOUSSOS: Is it four board meetings or four meetings?

Mr TOOMEY: No, the board meets every month.

The Hon. COURTNEY HOUSSOS: You need to get 10 per cent of your members together four times a year?

Mr TOOMEY: Including the annual general meeting. If you fail to do that you lose your funding.

CHAIR: Are there any other rules like that that make life difficult for you?

Mr TOOMEY: We just had an amendment with our members. If you are a voting member we sent a notice. Our membership is made up of the old generation. We have to start recruiting new members through. They are used to doing things the old way. We have to refresh our membership. Our young people are our future, but it is hard to get people to change their status from voting to non-voting. If they did that it would adjust the quorum. The amendment has just come through where if a member misses six meetings the chief executive officer now has the delegation to then make them inactive, but I need to notify you first.

So you go as inactive and it does not affect our quorum but if you decide to turn up on that day, that meeting that night, it does not matter, we still go over the percentage and then you are back on active. It is just a bit of extra work for the chief executive officer. It would have been a lot easier to say change your status if you need time away, take a leave of absence from the lands council, change your status and come back when you are right.

The Hon. RICK COLLESS: These 300 people, are they all residents within your land council area?

Mr TOOMEY: Yes, the majority of them are. Some have relocated but they still have a strong connection to our land council.

The Hon. RICK COLLESS: It is not essential for membership to be resident within the land council area?

Mr TOOMEY: If you are not a resident you have to show a strong connection. You may have lived here before.

The Hon. RICK COLLESS: A former resident or have family here?

Mr TOOMEY: Yes. That is different for the State elections because you do not have to come to the meetings. Everything has changed recently, our board used to run for two-year tenders but now they are four years. Another thing I would like, and I try to speak to the board and members about, because it is a four-year term we need our board members to be trained up in governance such as a certificate IV in business and front-line management or something similar that gives them the skills so when they do represent the land council they know what they are doing.

CHAIR: Are they all doing the training now for directors?

Mr TOOMEY: Yes, all the board members have done the training. It is only one or two days of training.

CHAIR: It is an introductory sort of thing?

Mr TOOMEY: Yes. Some of our board members have a certificate IV. It would be great to see everyone have that but that is State land council's call unless we go on a local level and get a motion that if you want to sit on the board or any sort of committee on the land council you have to have that qualification and start lifting the bar a bit. It is about changing the culture of the land council.

CHAIR: Obviously you are doing a fantastic job and it is difficult to deal with. We are trying to come up with maybe one or two answers that could be helpful.

Mr TOOMEY: I am looking forward to your report in September.

CHAIR: We are going to present an interim report in July. We will try and stir up a bit of interest and get people to think about how they can help?

Mr TOOMEY: Thank you for the opportunity.

(The witness withdrew)

RENE WYKES, Acting Chief Executive Officer, Murdi Paaki Regional Enterprise Corporation, sworn and examined:

CHAIR: Welcome, thank you for making the time to come along. We have heard a fair bit about your organisation and we are interested to hear about it.

Ms WYKES: Thank you.

CHAIR: You have given us some material, would you like us to take this as a submission from you?

Ms WYKES: Yes.

CHAIR: If you want to refer to it feel free. Would you like to make an opening statement and tell us a little with the work that you are doing and the struggles?

Ms WYKES: Certainly some struggles. I welcome you to Dubbo and thank you for the opportunity to come along and talk today. My statements today are based on my personal opinions and observations, mostly from the Murdi Paaki region. We have a limited footprint across the Dubbo Orana area. Murdi Paaki Regional Enterprise Corporation, or MPREC, are a non-profit organisation and governed by a board of Aboriginal directors. Our core business is employment and training and community development.

Our organisational objectives are to develop and implement effective employment and accredited training strategies, develop enterprise projects and facilitate business development, assist in the provision of essential social services to Aboriginal Australians, to nurture and mentor Aboriginal youth through training, leadership and career pathways, and lastly, to promote and improve lifestyle through strategic engagement of youth and community members. The services we offer run across 200,000 square kilometres. We have on average 128 employees on the payroll each fortnight.

CHAIR: How many?

Ms WYKES: On average 128. Of those 74 per cent of the workforce identifies as being Aboriginal and we are looking to increase that to 75 per cent this financial year. We offer employment services. We hold the community development program contract in New South Wales for both regions being Far West and Upper Darling.

CHAIR: Is that a Federal or State program?

Ms WYKES: It is a federally funded program. In that one we service 1,500 to 1,800 clients. It fluctuates depending on employment outcomes and people moving or locating out of the region. We also do the federally funded remote school attendance program for Walgett and Wilcannia and the purpose of that is to improve school attendance and participation. We do youth support services. We do case management and we have two programs at Coonamble. One is around working with youth at risk of becoming involved in the justice system and the other one is working with youth post incarceration. It is a very successful program. That is us.

CHAIR: Just to round it out, how long has the corporation been in existence and what are some of the things done in the past that are maybe not happening now?

Ms WYKES: We were established in 2003 originally to work with community development employment programs that were at risk of going into administration. Initially we started with six of those and that increased through to about 12 in two years. We then grew at a rapid pace. By 2008 we had the community development employment program [CDEP] contract. We became a registered training organisation, a building company, we did youth services and transport. One of the things that happened is that we grew too fast for ourselves and we did not have the capacity to fulfil all of those all the time.

CHAIR: What has been the basis on which you have become a successful organisation? You went through a hard time and came out of it.

Ms WYKES: One of the things about MPREC is that we always go back to community and own our mistakes along the way but we always engage at that grassroots level. It is not about MPREC owning those

programs, they are community driven. The community comes up with the ideas and we work with them around strategies and how to achieve that. Quite often we advocate on behalf of the clients or communities as well.

The Hon. MICK VEITCH: A section of the documentation you have provided to us says:

An identified gap across the region is the lack of wrap around services to support the establishment of Indigenous enterprises including...

Then there is a list including business planning, and coaching and mentoring services. What sort of mentoring and coaching services are available and what sort of business planning services or assistance is there?

Ms WYKES: There are limited services available in the remote communities to assist around enterprise development and developing of your business plan and your feasibility assessments. We do host a program, the Aboriginal Enterprise Development Officer, but that is one person across the Murdi Paaki region. That program does not have any funds to contribute or to support clients. With the introduction of the Community Development Program [CDP] people who live in those locations lost the ability to be able to go and participate in the NEIS program. Essentially, there is no small business training program available in those areas at the moment.

The Hon. MICK VEITCH: NEIS is the New Enterprise Incentive Scheme?

Ms WYKES: Yes. There is limited support for that out there. We struggle as a business to gain those support services. We have to engage stakeholders or consultants to assist us with that process, which is quite expensive for us let alone for someone who is looking to be a sole trader to be able to access those services. The reality is if you are not engaged as a registered job seeker it is really hard to find funds to be able to get into a program where you have to pay for that support.

The Hon. MICK VEITCH: Do you see a scheme such as NEIS in the first 12 months of setting up a new business to be quite effective, quite valuable?

Ms WYKES: Yes, I think so, and even beyond the 12 months. Sometimes when you are first starting in business and you do not have that background it is quite a challenge to go through the process of developing your business plan, your financials and then implementing that business and keeping it successful. It could be up to three to five years' worth of support that is required just at different levels or different phases as you are working through your business.

The Hon. MICK VEITCH: What aspects of that NEIS scheme do you think are the most valuable?

Ms WYKES: I think overall it is all valuable information but in particular around the financials and your reporting obligations as a business owner. It is not often out there or accessible how you find out that information other than the NEIS program and other small businesses who promote those. Just dealing with the tax office is quite daunting for most people. Working your way through the relevant insurances that are required for a business as well is somewhat challenging.

The Hon. MICK VEITCH: If you are a young Indigenous person who has gone through a trade in construction, for example, and you want to start up your own building business out here what sort of assistance is available?

Ms WYKES: You have the Business Enterprise Centre and they run Small Biz Connect or something. Do not quote me on the name of that one. There is also the NEIS program or the Aboriginal Enterprise Development Officer. Other than that it is quite limited as to what you can access. Indigenous Business Australia [IBA] does provide some assistance around financial aspects but there is quite a wait, I believe, to be able to access that.

The Hon. RICK COLLESS: This morning we visited the Clontarf Academy in Dubbo. All of us were very impressed with the work they are doing in bringing young Indigenous men up to a level where they can confidently go out and be part of the community. Have you worked with them at all?

Ms WYKES: We do engage with Clontarf. We have a couple of community programs and we have some youth who come through our doors that we refer back over to Clontarf at different times. We are also active in Coonamble as well.

The Hon. RICK COLLESS: Last year the Premier made an announcement about funding for Clontarf at Endeavour High School at Caringbah in Sydney. There were two young men from Coonamble there who had recently graduated from the Clontarf Academy at Endeavour High School. They were both working in the construction industry in the area and I asked them what their plans were for the future. One of them said that he wanted to stay in Sydney working with the company he was working for; he was happy there. The other young man said, "In a couple of years I'm going to go back to Coonamble and start up my own concreting business." It struck me that that was such a wonderful ambition to have. For a young man like that who has that sort of focus and ambition, what would his next step be and how would you be able to help him achieve that goal?

Ms WYKES: We can assist through the Aboriginal Enterprise Development Officer. That is where he can access services to assist with the business plan, feasibility studies and those things. The unfortunate thing is that there are no funds available to actually support the capital or what he may need to get into business other than applying for a loan. I think sometimes it is the seed funding that is a barrier, especially if young people are not always able to secure a loan to establish their own business where they do not have a credit history or they do not have any credentials about being in business previously.

The Hon. RICK COLLESS: What sort of assistance should they be getting? Should he get a grant to get the capital equipment he needs or should he get an interest-free loan or a secured loan where he does not have to go to the bank if he does not have a credit history? What sort of form should that assistance take?

Ms WYKES: I think there should be some kind of seed funding for that initial set up to assist especially young people coming out of their trades that do want to start their own business. They should have access to some seed funds to see them establish their business, get their insurances in place, get a good business plan, engage an accountant to work with them and provide those wraparound services. The other thing is out in community there is a lack of infrastructure, so there is not always somewhere for someone to go in and start their business unless they are willing to develop a property or a location.

The Hon. RICK COLLESS: I hope this young man realises his dream one day, because it was certainly very encouraging to see that sort of thing happen.

The Hon. COURTNEY HOUSSOS: I am really impressed by your organisation and I have heard really fantastic things from elsewhere around the State. I guess there is a sense of admiration at what you are doing. What can we take away from that? What are the lessons that we can take if individuals in other parts of the State are looking to start something similar to what Murdi Paaki is doing?

Ms WYKES: I think it is about engaging with the grassroots level—talking to community, community members, working with the community working parties that have action plans that have some economic development actions included within them. Generally, it is getting on the street and talking to people about what is missing or what they are not able to access and where the gaps are within those services and how do we address that. Quite often people will ring us, whether it is a community group or an individual client seeking support and assistance, and we struggle to find that as a medium-sized business. Quite often we will pick up and provide a service that we are not funded for but we do it because that is who we are.

For us to see one person succeed in their dream—whether that is employment, higher education or enterprise development—is a win for us. At the moment we are looking to explore some social enterprises. We already have what is called the Exhibition Cafe in Bourke. We are looking to purchase a motel as well. There is a laundry over in Walgett. We will also have a cafe here in Dubbo. That is where we employ a manager to run the operations but the remainder of the staff are actually our job seekers and our clients and sometimes that is their first point of employment. We also mentor them into developing their own business or taking that business on. In particular with the Bourke cafe, ideally within the next 12 months to two years we would be looking to hand that lease over to one of our clients to take over that business. The same with the laundry, eventually someone from the community will take over that business.

The Hon. RICK COLLESS: How is it managed at the moment? Is it managed by Murdi Paaki?

Ms WYKES: At the moment we manage the Bourke cafe and we pay the manager there on site, so they are an employee. Then we have case managers now who work with the individual job seekers who are engaged there to address any non-vocational barriers and also to develop their aspirations or their goals and set steps or milestones into that so we can see and support them to grow. But just to give you an example relating to

governance training out here, we recently paid \$16,000 for one person to do that. As a small business, how do you afford to pay that?

The Hon. NATASHA MACLAREN-JONES: Do you have sponsorships from business as well as grants? How does your funding structure break down?

Ms WYKES: Predominantly we are government funded, mostly Federal. Then we have our registered training organisation where we try to generate commercial dollars to put back into the organisation. Then we have key partnerships with corporates who provide pro bono services and expertise to assist us along the way.

The Hon. NATASHA MACLAREN-JONES: In one of your recommendations you said that you wanted to develop a framework that measures the social outcomes of social enterprises. What particular areas did you want to measure?

Ms WYKES: I guess that it is around actual engagement, mental health, justice and what impact potential social enterprises or even the Work for the Dole activities bring to the community. People or organisations are all doing it differently and some do not measure at all. How do we get a consistent framework to assist providers to measure those outcomes so that we can provide meaningful statistics back to government about what is working and not working?

The Hon. RICK COLLESS: Clontarf has 220 young men in its academies in Dubbo. One of their mentors, I think his name is Nick, has the job of going out into the community and finding placements for the kids as they graduate from school. Is there an opportunity for Murdi Paaki to work in conjunction with him in order to help facilitate getting these kids into work somewhere?

Ms WYKES: We do work with Clontarf and a few other community organisations and groups to do that. One of the contracts that we have is the Vocational Training and Employment Centre. We have pledges from employers across the region to place job seekers into employment. Some of those are specifically for early school leavers or people coming out of school after achieving year 12. We also have a school-based traineeship pathway that we offer and we work with the various organisations to fill those positions. Some of those positions do go to at-risk youth as opposed to some higher achievers. That is to encourage them to stay at school and also to provide a career pathway.

CHAIR: You have provided us with a really good summary of your recommendations. It might be worth getting you to talk through those to get more of an understanding about what you see as the issues. The whole problem of lack of development in some remote areas is obviously one that we are not going to fix in this Committee. Just give us your experience at the moment of what is happening in your area.

Ms WYKES: At the moment in the more remote areas there are more businesses closing their doors or reducing their services than there are businesses coming into town. We are looking to explore working with the businesses in community to make sure that we provide or that we are funded to run a program that we source our materials and consumables locally so we are putting back into the local community. We are also thinking about how business can be done differently. How do we get more IT savvy so that we do not lose a business opportunity within community? Can we take an idea or a business that is looking to close their doors and turn it into a social enterprise opportunity?

We are not looking for multiple employment outcomes but single employment outcomes where we can. We have the case management that we now wrap around those individuals and groups. We have a case manager who goes in and works with them one on one. We are looking to identify what potential growth areas there are across our region. We are lobbying government around procurement and to purchase from those businesses. We are also offering or looking at how we build capacity—not only capacity of MPREC and our staff but also capacity of community as well to give some back.

CHAIR: What about the existing structures? You have got everything from councils to tertiary institutions and TAFEs and business chambers.

Ms WYKES: It varies from site to site. Each community is different. Local government in some areas would be very proactive and in other areas not proactive at all. We have our community groups, the land councils and the working parties, and they are very proactive and wanting to engage quite closely about how we can partner to maximise opportunities across the region. Health is another one. The health providers are now

working quite closely about different strategies: how we capture information about individual clients and share that information to make sure that we are doing the best we can for the individual, but also around the different enterprises and businesses. So if we know that someone is struggling, how do we put more into that business or how can we support them?

CHAIR: It is just a general observation but there is an impression that there is a lot of uncoordinated activity or non-activity. Is there anyone in charge of the ship?

Ms WYKES: No, quite often there is not, and that adds to the confusion within the community. You will have multiple providers all lobbying for the same client group where we could work more closely together to maximise what can be provided and provide all of the wraparound services, sharing and exchanging information so that it is a long-term goal and not a short-term thing. Quite often you hear of the 13 and 26 weeks. If we all pooled our resources, essentially maybe we can offer 12 months or two years support.

The Hon. RICK COLLESS: As CEO you answer to a board. Do you have any other staff who work with you?

Ms WYKES: Yes. There are 128 staff on average across the region. We have a finance team—

The Hon. RICK COLLESS: Within your CEO's office do you have assistants and administrative support?

Ms WYKES: We have administrative support. We have one administration officer and we have three finance officers. We struggle around HR and to find that resource we engage organisations like KPMG to work with us to build our capacity but also to provide advice where we need to make some big decisions, and we also work with Ashurst who do some pro bono stuff with us around governance and those things.

The Hon. MICK VEITCH: The previous witness spoke about the difficulties of preparing a submission, a competitive bid for funding from the State or Federal governments. Submission writing is quite a discipline. Do you have anyone in your organisation that does that or do you engage external experts to assist in the technical aspects of drafting a submission?

Ms WYKES: Normally what happens, we engage a consultant to come in and work with us a couple of months prior to a submission being due and we hold workshops across communities and with the team and then they go ahead and write the submission, and that is quite costly.

The Hon. MICK VEITCH: What is the success rate?

Ms WYKES: Probably about 75 to 80 per cent success.

The Hon. MICK VEITCH: That is good.

Ms WYKES: That is good, but that all comes at a cost as well and that is not something that you get back through the funding at all, that is your own—

The Hon. RICK COLLESS: That is part of the corporation's contribution?

Ms WYKES: Yes, and that is where it would be extremely difficult for a small enterprise to be competing for some of those big contracts.

The Hon. COURTNEY HOUSSOS: Just to follow up on the previous comments by the Chair about lots of disparate groups doing lots of good things, one thing that has been raised with us in another inquiry around some Aboriginal issues is the lack of security around funding. So with that 12 months funding, by the time you finally get a program up and running it is time to start applying again.

Ms WYKES: Yes.

The Hon. COURTNEY HOUSSOS: Do you have any views around what sort of time period would be appropriate?

Ms WYKES: I think with the Community Development Program [CDP] and having that through your funding cycle allows you the opportunity to implement the program and then be able to demonstrate how successful it is and also that you are able to support community, where with the 12-month program, by the time you get momentum you are at the end of the program and you are not sure what funding is available to move forward. But the other thing is you lose your resources. So you may spend six or 12 months building someone's skill level and then because the contract is going they will be employed elsewhere. So you lose all of your skills and your knowledge at the same time.

The Hon. COURTNEY HOUSSOS: And you may have only been able to employ them for, say, six months anyway because by the time you recruit them—

Ms WYKES: Yes, short-term contracts.

The Hon. RICK COLLESS: That problem exists across the whole suite of government programs. It is not unusual.

Ms WYKES: I guess because we have grown we are able to offer some positions longer term. So we might offer three-year employment contracts to some of our staff to be able to provide that security, but it also means that we are able to retain those skills locally.

CHAIR: Can you give us a bit more of an understanding of what is happening in the case management of individuals, which you seem to be focused on and obviously having success in?

Ms WYKES: Previously we have provided mentoring services and it has worked quite well. But we are seeing that, for the first time I think, we are the only CDP provider to offer a case management model and that is working with disadvantaged job seekers—I think they are a stream 4 or a C in this region—and it is providing those wraparound services to assist them to address their non-vocational barriers, to advocate on their behalf, but it is very intense. We consult with the other providers or the non-government organisations [NGOs] within community. I think it is fortnightly the guys meet to talk about the individual clients and what is required and we make sure that everyone is communicating.

We have documentation going back and forth between ourselves, health services, rehab services, NSW Police and Probation and Parole in regards to particular clients, and there is no time frame on that; some clients may only need it for six months but others may need it for three to five years. We are hoping to keep that in place. We are also lobbying that where someone who has never engaged previously, where they start to engage and they meet their five hours with their case manager that that be recognised for 25 hours for a period of time until the case manager recommends that they are ready to then progress into an activity, whether that is a Work for the Dole activity or some more specialist advice or referrals.

CHAIR: Where is the funding for that case management?

Ms WYKES: At the moment we fund it through the CDP and we have three case managers across the Far West and Upper Darling area. We are just recruiting here in Dubbo for a Vocational Training Employment Centre [VTEC] case manager and one to sit in Narrabri.

CHAIR: You have mentioned a couple of times the problem of seed funding for various enterprises. Have you had any experience of being able to access seed funding?

Ms WYKES: No, not for social enterprise. But I guess the CDP does allow that flexibility around Work for the Dole, that we can identify a potential project or a Work for the Dole activity, develop a business plan to see whether that could become a commercial business within three, five, six years time and utilising that somewhat as seed funding grows. We cannot purchase assets but it can certainly contribute to getting a social enterprise off the ground. We have recently been to Melbourne and met with the guys from Streats, Charcoal Lane and the Brotherhood of St Laurence, looking at their models and how they work for those guys and how we can mirror or implement something similar across our region here.

CHAIR: I am not familiar with those models.

Ms WYKES: Charcoal Lane is a fine dining restaurant, Streats is a coffee shop and the Brotherhood of St Laurence offers security services in an estate.

The Hon. RICK COLLESS: Did you say where they were located?

Ms WYKES: They are all in Melbourne.

CHAIR: So that is partly the thinking in your cafe and motel?

Ms WYKES: Yes.

CHAIR: Thank you very much.

Ms WYKES: Thank you for allowing us this opportunity.

CHAIR: We can see how difficult it is and, as I said earlier, if we can come up with a couple of things that help we will feel that we have done something useful.

Ms WYKES: The interim report is due in June, is it?

CHAIR: July. Hopefully that will cause a little bit more focus and discussion on some of these issues and we can get some more action from government.

Ms WYKES: That would be good.

CHAIR: Thank you so much for your time.

(The witness withdrew)

The Committee adjourned at 12.40 p.m.