

# CORRECTED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2011–12

Melbourne — 18 May 2011

#### Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mrs J. Powell, Minister for Aboriginal Affairs,

Mr Y. Blacher, Secretary,

Mr G. Forck, Chief Financial Officer,

Ms J. Samms, Executive Director, Aboriginal Affairs Taskforce, and

Mr I. Hamm, Executive Director, Aboriginal Affairs Victoria, Department of Planning and Community Development.

**The CHAIR** — I now welcome Ms Jennifer Samms, executive director of the Aboriginal Affairs Taskforce, Department of Planning and Community Development, and Mr Ian Hamm, executive director of Aboriginal Affairs Victoria, Department of Planning and Community Development. I now call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the Aboriginal affairs portfolio.

**Mrs POWELL** — I would like to thank the committee again for the opportunity to make a presentation on the Aboriginal Affairs portfolio. I say at the outset that I have a very deep interest in making sure that Aboriginal Victorians have an opportunity to reach their full potential, and as Minister for Aboriginal Affairs I would like to do that in a bipartisan way with the opposition. The areas I would like to cover for the committee are my portfolio responsibilities, a brief overview of indigenous Victoria, the government's agenda for Aboriginal affairs, progress in implementing our election commitments, some key achievements in Aboriginal affairs over 2010–11 and an overview of the budget outcomes and priorities.

I would like to start with a few brief words about responsibilities in the Aboriginal affairs portfolio. This portfolio is a unique portfolio in that it covers and supports whole-of-government reform through the Aboriginal Affairs Taskforce. It delivers on specific programs aimed at the management and protection of Aboriginal cultural heritage and community development and engagement through Aboriginal Affairs Victoria. The government takes a multi-agency approach, recognising that all portfolios carry responsibilities for closing the gaps between indigenous and non-indigenous Victorians.

The Australian Bureau of Statistics census estimates that there are over 36 000 indigenous Victorians. The median age is around 22 years for indigenous Victorians compared with around 36 years for the rest of the population, and approximately half the population lives in regional Victoria. The last Census, in 2006, found that indigenous Victorians fared poorly in weekly income levels and employment rates. Eighty-one per cent of indigenous Victorian households had a weekly income of below \$1000, compared with 49 per cent of all Victorian households. One in five indigenous households had a weekly income below \$350. Indigenous unemployment rates were 13 per cent in metropolitan Melbourne and 19.1 per cent in regional Victoria, or 5.4 per cent and 5.7 per cent respectively for non-indigenous Victorians.

There are many other indicators of disadvantage, including in education, health and justice. We believe that the key to overturning this entrenched disadvantage is to focus on a healthy start to life. Specifically we are focusing on early childhood development, educational outcomes and providing better life opportunities for young people.

The Premier, the Leader of the Opposition, me as Minister for Aboriginal Affairs, and the shadow Minister for Aboriginal Affairs signed the closing-the-gap statement of intent at Parliament House on 24 March 2011. This recommitted the government to the closing-the-gap agenda, and it reflects Victoria's continued bipartisan approach to Aboriginal affairs. As the Premier set out at that event, the government's approach to Aboriginal affairs will be guided by four principles: aspirations; accountability; engagement and inclusiveness; and partnership building and a whole-of-community approach.

There are encouraging signs that outcomes for indigenous Victorians are improving, in particular with: the number of indigenous babies being born with support for them and their parents; participation in kindergarten; education outcomes in schools; and trends in justice. Sadly there still remains significant room for improvement for indigenous children, and young people are significantly overrepresented in the child protection system. There are significant gaps in school retention, and smoking rates are still unacceptably high.

One of our immediate priorities for action is to review the Victorian Indigenous Affairs Framework to include the government's priorities, principles and actions to ensure the best outcomes, the most effective use of funding and programs that meet the needs of indigenous Victorians. Fundamentally the review will strengthen the framework, address shortfalls and improve outcomes. We will also release the indigenous affairs report 2009–10 to focus on the challenges of closing the gap in Victoria's urban and regional areas. We will continue implementation of the Aboriginal economic development agenda, and one of the real keys to overcoming disadvantage and increasing life expectancy is building the skills needed to be economically independent. The Premier has asked that all departments prepare action plans demonstrating how they will improve the access and inclusion practices of mainstream services.

We have made progress in implementing our election commitments to establish the Victorian Indigenous Honour Roll, to restore funding to Reconciliation Victoria and to hold a parliamentary inquiry into the establishment and effectiveness of the registered Aboriginal parties. A community consultation on the implementation of the indigenous honour roll is now under way, and the details will be announced shortly. Funding for Reconciliation Victoria will resume its operations. Finally, the terms of reference for the inquiry were tabled in February, and the committee is due to report later in the year.

There are some achievements in the protection of Aboriginal cultural heritage. The local indigenous networks, which were established between 2007 and 2009 are giving voice to indigenous Victorians locally, and their role is continuing to evolve and grow in significance. There are at the moment 38 local indigenous networks across Victoria, and there has been about \$400 000 in funding that has been brokered through partnerships with government, community and philanthropic organisations in the last 12 months.

I draw your attention to the government's budget outcomes and priorities for Aboriginal affairs. First is facilitating planning approvals, where the government provided \$500 000 in 2011–12 to support Aboriginal organisations appointed as RAPs. Second is the funding of \$500 000 for the indigenous governance training program to continue accredited training for board members and staff in indigenous community organisations. Finally, we have provided \$200 000 each year over four years to re-establish and support the ongoing operations of Reconciliation Victoria. Reconciliation Victoria is a state-based organisation responsible for promoting reconciliation between indigenous and non-indigenous Victorians, and it is dedicated to achieving reconciliation in Victoria. I also advise that the organisation's funding was discontinued in June 2009, and this government is committed to restoring that funding.

I thank you for allowing me to give the presentation. We have a handout about Aboriginal cultural heritage, and because of time I am just going to hand it out. It shows Aboriginal cultural heritage in your electorates. The member for Altona might be interested that in her area in Melbourne about 300 artefact scatters have been found.

**Ms HENNESSY** — Just near the Altona cemetery.

**Mrs POWELL** — On that list there are a number of cultural heritage sites which are found in all of your electorates. I thought that might be of interest to the committee.

**The CHAIR** — Thank you very much for a very comprehensive presentation, albeit that we do not have sufficient time in this particular portfolio. We are very time constrained, so I am going to ask the minister to be succinct in her responses and similarly my colleagues in asking questions. I note that the opposition members will consolidate their follow-up questions into their principal questions for brevity. I will ask directly, in context, while we do not automatically think of population being a significant factor in driving Aboriginal policy in Victoria, clearly there are demographic changes that occur within the Aboriginal community. Minister, could you advise the committee briefly how predictions concerning population growth have shaped the portfolio?

**Mrs POWELL** — This is a really important question for Aboriginal affairs in Victoria and Aboriginal people. The Victorian indigenous population is experiencing rapid population growth and it has a different profile. It has a slightly younger profile than the rest of the Victorian population, which brings its own challenges. The Australian Bureau of Statistics undertakes projections on population size and growth in between the census years. Current ABS estimates suggest that at 30 June 2011 there will be around 37 600 indigenous Victorians; that the annual growth rate is around 2.4 per cent compared to around 1.8 per cent for Victoria as a whole; half the population is under the age of 22 years; and around a third of the population is under 15 years of age. The same ABS projections suggest that by 30 June 2015 the population will increase to over 41 300 indigenous Victorians. We will know that with more precision, when the 2011 ABS Census results are released, they will be able to adjust those estimates. The indigenous population growth and projections are particularly important for the whole-of-government perspective as we take on board programs and initiatives to improve outcomes for indigenous Victorians.

One of the challenges we face is about data collection. Not everybody self-identifies as Aboriginal. It is one of those issues where as people are getting more confident in doing that, they are self-identifying, which means there could be a significant increase in the population, statistics which means programs have to then be tailored to suit the specific needs of our indigenous population.

**Mr PAKULA** — I hope I can avoid having to ask a follow-up, as long as the minister responds to my question. Minister, on pages 128 and 129 of budget paper 3 there is an output item which delivers funding to Aboriginal cultural heritage issues, funding to registered Aboriginal parties to meet their obligations under the Aboriginal Heritage Act as it is described on page 129, but it is only for one year. In terms of indigenous peoples' cultural heritage, self-determination is very important, and I am concerned about the fact that funding is only there for the 2011–12 year. Can the minister provide me with a commitment that the government has no intention of walking away from the Aboriginal Heritage Act or the registered Aboriginal parties regime and that that will be funded in the out years as well as in 2011–12?

**Mrs POWELL** — This is an important issue. There are about nine RAPs across Victoria. About 56 per cent of the state is covered by a RAP, so there are not RAPs in every area of the state. There is going to be a review of the Aboriginal Heritage Act, which is required in the act itself. The former government when bringing forward that act actually had a clause in there that said that it would be reviewed after five years. The RAPs are part of that; they are under the legislation. The \$500 000 that was given this year is in reflection that we understand that there is that review so there might need to be some changes to the RAPs, whether it is increased funding or more RAPs put forward. What we are going to do is review the RAPs to make sure that they are supported, that they have the expertise and knowledge they need to determine traditional owners and all of those important areas that they have to find.

What we need to do is make sure that the inquiry that is held is established first and the RAPs will be part of that finding. That report will be completed by 28 May 2012. There is a requirement that the Aboriginal Heritage Act is reviewed. Separate to that there is also going to be a parliamentary review of the RAPs, which is still to commence, and that will have a look at whether the RAPs are supported, enough whether there is enough expertise, whether they have enough funds. The \$500 000 in this year's budget was to continue the RAP process to make sure that there was no decrease in funding, but what we will do is look at that in the extent of what the investigation finds as we move forward.

**Mr MORRIS** — Minister, I turn to a new budget performance measure regarding Reconciliation Victoria on page 272 of budget paper 3. I ask you to advise the committee on the progress of the election commitment regarding Reconciliation Victoria and other election commitments.

**Mrs POWELL** — I thank Mr Morris for his question. Reconciliation Victoria are the only body that actually looks at reconciliation in Victoria. They work with probably about 80 per cent of non-indigenous people and their role is to try to decrease racism and promote harmony and support for the indigenous community. They are a very important body. The \$200 000 a year over four years was put forward to them to allow them to continue their good work. It was stopped under the former government, and we made a commitment that if we won the election, we would reinstate that funding. I have already met with the co-chairs of Reconciliation Victoria, Mr Keith Gove and Ms Vicki Walker, and discussed the plans for the future. What we are doing is discussing where they see Reconciliation Victoria, the action plans for it and where they meet the government's projection outcomes as well, because it is important that Reconciliation Victoria is giving services to not just metropolitan areas but that they work with some of our regional reconciliation groups.

When I was a shadow minister I had many groups come to me talking about the importance of Reconciliation Victoria. Many Aboriginal groups and many non-Aboriginal groups talked to me about the importance of reinstating that funding and the great work they do in promoting harmony and reducing racism.

They are going to be developing those plans, and we will have a look at those plans. But the organisation informs Victorians about a wide range of national and local reconciliation initiatives. I think what we need to be doing is making sure they are funded appropriately. This is a dual issue from me, because as Minister for Local Government Reconciliation Victoria is also working with local councils to make sure that in their areas, particularly where there are high populations of indigenous Victorians, such as my electorate of Shepparton, the councils are working with those communities so they can put in place programs that meet the needs of our indigenous communities to make sure that the programs are meeting their needs and that they are assessing what it is that they need and making sure that all of the services councils are providing to the broader community are also sensitive to the needs of our indigenous community.

I see the money as going to a really important organisation. I look forward to working with them. I know they are looking forward to receiving the funding and moving on with their plans to make sure they are meeting the needs of indigenous Victorians.

**Mr SCOTT** — I will keep the question brief because of the time. I understand the new government has restated Victoria's commitment to our Closing the Gap targets, which were negotiated through COAG. Can the minister confirm whether this includes a 1 per cent Aboriginal employment target in the Victorian public service? And, to save me following up, if you could provide details of how many people of indigenous heritage are employed in the Victorian public service and how many more would need to be employed to meet this target.

**Mrs POWELL** — Thank you, Mr Scott, for your question. I know we do have that response. Can I firstly talk about the employment in Aboriginal Affairs Victoria. It is probably first important to note that the public sector should reflect the composition of the community that its services, particularly for disadvantaged communities such as indigenous people. The estimated number of additional indigenous employers contributed by 2015 by the 1 per cent target in national partnerships in indigenous economic participation. Is 1500 — —

**Mr HAMM** — Increased number that we need to reach that target.

**Ms SAMMS** — Yes, that is right — an extra 1500.

**Mr HAMM** — An extra 1500.

**Mrs POWELL** — So there will be an extra 1500 in the workforce to reach that target. But can I also — —

**The CHAIR** — That is a target based on our current employment.

**Mrs POWELL** — Yes, that is right.

**Mr PAKULA** — Does 'workforce' mean the public sector workforce?

**Ms SAMMS** — Yes.

**Mrs POWELL** — This is in the public sector workforce. But can I also talk about Aboriginal Affairs Victoria. Again, it is about people self-identifying as indigenous, and not all people do self-identify. There may be indigenous people working across the public sector who are there because of their skills and experience, as it should be, and they are also indigenous but have not identified as being indigenous. Sometimes that data is a bit harder to get because people are there because of their qualities, skills and attributes and they have not necessarily identified that they are Aboriginal.

The number of budgeted full-time equivalent staff for Aboriginal Affairs Victoria in 2010 is 84.9 people. As at April 2011 there were 76 persons employed by AAV, 10 of whom have formally identified as indigenous — that is 13 per cent. In addition, there are 10 indigenous community engagement brokers working in metropolitan and regional locations with the community development regional teams of DPCD as part of AAV's representative arrangements program. I am also pleased to report that AAV is hosting eight indigenous trainees in 2010–11, all of whom do support work with local indigenous networks across the state.

**Mr SCOTT** — Just 10 seconds, because there was one part of the question which was not answered, which was how many indigenous persons were employed in the public service now. We will just have that on notice.

**The CHAIR** — Do you have that figure?

**Mrs POWELL** — I can take that on notice. I can provide you with that information if you are happy.

**The CHAIR** — Take it on notice.

**Mr ANGUS** — Minister, I refer you to page 271 of budget paper 3 in relation to the output measures for Aboriginal affairs. I ask you: what investment has the government made for strengthening the governance and leadership capacity of the indigenous community?

**Mrs POWELL** — I thank Mr Angus for his question. It is an important question, because there are not enough indigenous people on boards and committees. We are trying to address that. I note the former government also put in place some programs to address this as well. As I said, we see indigenous affairs very much as a bipartisan approach. We are continuing with some of the programs that the former minister put in place.

I know the former minister would also agree that one of the important issues is to make sure that we have indigenous people speaking for their people on boards and committees. To do that many of the plans are prioritised to improve outcomes in education and training and cultural and community strengthening. That is really important for young people. It is important we strengthen those young people so we give them the skills to be able to participate. Also, they need to have the skills to be able to go into employment.

But the particular program that you would probably be interested in is the indigenous governance training program, which is investing in the creation of efficient and effective Aboriginal organisations across Victoria. This government is continuing to support this program. It has got an additional \$2.2 million over the next four years. Over the next four years we will continue to hold introductory workshops and accredited training at certificate IV and diploma levels. This is to upskill and add value to those boards who need to have indigenous people on them. It is to make sure indigenous people have the opportunity of going on to more boards. We will explore ways to consolidate the training by working with individual organisations to embed best practice and focus on delivering quality service for indigenous Victorians.

Since the commencement of this program in 2006 there have been 23 introduction to governance workshops with 550 people participating, 11 certificate IV courses with 158 graduates, and there have been two diplomas of business governance with 27 graduates. That is a fantastic outcome.

Funding was provided in the 2011 budget which will enable the program to continue, including the delivery of 12 introductory workshops and 8 accredited courses. The funding will also support the ongoing enhancement of the curriculum and support an initiative to work one-on-one with specific indigenous organisations that are experiencing governance difficulties. I think this program is going to be really important for some of those boards and committees that are having governance problems. This is actually upskilling some of those indigenous peoples. We see it as a really good program, and we are pleased to continue funding for that.

**Ms HENNESSY** — Minister, I will cut to the chase, conscious of the time. Does the Victorian government support the establishment of a new national indigenous representative body, the national congress?

**Mrs POWELL** — Thanks to Ms Hennessy for her question. The government welcomes the progress in the establishment of the new national indigenous representative body which is the National Congress of Australia's First Peoples. The role and structure of the congress are based on a broad consultation process which was undertaken in 2008 and 2009. The key principles underpinning the congress include a strong ethical framework, gender equality, and financial independence and sustainability.

In November 2009 the commonwealth government announced support for the congress and funding to support its establishment and operations for the period from January 2011 to December 2013. To date 2200 individuals and 120 organisations are constitutional members of the congress. Elections for the two co-chairs of the national board were held in February and March 2011. Co-chairs-elect Ms Jody Broun, Western Australia, and Mr Les Malezer, Queensland, will take up their full-time positions in July 2011.

I am advised that the first national congress to elect the remaining six directors of the national board will be held on 7–9 June 2011, to be attended by the 120 congress delegates, 40 from each chamber of the congress. The government will continue to work with the federal government and the national congress to ensure that where possible strong links with Victoria's indigenous representational arrangements remain.

**The CHAIR** — Thank you, Minister. I regret that we are out of time and I will have to bring the hearing to a conclusion. I thank the minister for responding to us, and I thank the staff from the department who have attended today. Where there were questions that were taken on notice or any unasked questions the committee will follow up in writing at a later date. The committee request that written responses to those matters be provided within 21 days. Thank you very much, Minister, and departmental staff.

**Committee adjourned.**