

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into Budget Estimates 2017–18

Melbourne — 2 June 2017

Members

Mr Danny Pearson — Chair

Mr David Morris — Deputy Chair

Mr Steve Dimopoulos

Ms Fiona Patten

Ms Sue Pennicuik

Ms Harriet Shing

Mr Tim Smith

Ms Louise Staley

Ms Vicki Ward

Witnesses

Ms Natalie Hutchins, Minister for Aboriginal Affairs,

Ms Rebecca Falkingham, Deputy Secretary, Social Policy and Service Delivery Reform,

Mr Jason Mifsud, Executive Director, Aboriginal Victoria, and

Mr Harry Webber, Director, Heritage, Aboriginal Victoria, Department of Premier and Cabinet.

The CHAIR — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2017–18 budget estimates. All mobile telephones should now be turned to silent.

I would like to welcome the Minister for Aboriginal Affairs, the Honourable Natalie Hutchins, MP; Ms Rebecca Falkingham, Deputy Secretary, Social Policy and Service Delivery Reform, Department of Premier and Cabinet; Mr Jason Mifsud, Executive Director, Aboriginal Victoria; and Mr Harry Webber, Director, Heritage, Aboriginal Victoria.

All evidence is taken by the committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Comments made outside the hearing, including on social media, are not afforded such privilege.

Witnesses will not be sworn but are requested to answer all questions succinctly, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard, and you will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, presentations and handouts will be placed on the committee's website as soon as possible.

All written communication to witnesses must be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way and cannot photograph, audiorecord or videorecord any part of these proceedings.

Members of the media must remain focused only on the persons speaking. Any filming and recording must cease immediately at the completion of the hearing.

I invite the witness to make a very brief opening statement of no more than 5 minutes. This will be followed by questions from the committee.

Visual presentation.

Ms HUTCHINS — Thank you, Chair. Can I begin by acknowledging the traditional owners of the land on which we meet and pay my respects to their elders, past and present.

To take you through what is the biggest spend in Aboriginal affairs any budget in Victoria has provided, overall we have an investment of 140 million-plus across the whole of government, because it is not just the department of Aboriginal affairs that administers the spending in Aboriginal affairs but whole of government. Specific to our department is \$68 million, which has been allocated to really focus on our Aboriginal self-determination programs that we have in place, and then a further \$33.6 million on Aboriginal family violence.

In taking you to the breakdown of our commitment within our department in regards to Aboriginal affairs spending and the commitment to \$68.2 million, there are three key areas that that money is broken down into, the first being self-determination and treaty, which has been allocated 28.5 million to support self-determination treaty and the interim working arrangements going forward for a representative body; 21.8 million has been allocated for Aboriginal community infrastructure, which I can go into further detail about; and 17.9 million allocated to support self-determination and strong culture, investing in leadership and governance awareness, and respect for Aboriginal culture.

All of these commitments, Chair, are absolutely vital to underpinning our commitments to closing the gap. Every one of those *Closing the Gap* targets that we report on every year, not just in Victoria but nationally, are absolutely linked. The keys to trying to achieve in closing those gaps are linked to the budget funding you have before you.

We have gone down the track of self-determination and treaty as a major commitment this government has made in the area of Aboriginal affairs. It is fair to say that those on the national agenda have caught up with us in terms of the statement that came out of Uluru last week and where the federal government now needs to focus its efforts, and of course they are about 18 months behind where Victoria has been at. I am very proud that Aboriginal Victorians are leading the way in national leadership when it comes to talking about

self-determination. Can I just point out that the photo that is on that slide is actually members of the Melton local Aboriginal network.

In terms of our self-determination and treaty process, as mentioned, 28.5 million has been set aside and allocated to support the treaty process going forward. The funding has been used to progress treaty through ongoing consultation and efforts to build a representative body of Aboriginal Victorians. As you can see on that map and slide, there are 500 treaty packs. They are information packs that have been distributed to encourage what we call treaty circles within families and local communities.

Seven and a half thousand community members have been consulted, 2100 of those face to face and many of those through online links to regional areas, and conversations have continued that way as well as contributions online through the process. Out of last year's budget we were able to support the establishment of an Aboriginal treaty interim working group, which has done a power of work in the consultation and facilitation of a path forward to both self-determination and treaty.

In terms of self-determination and the community infrastructure commitments that we have made through this budget — \$21.8 million over four years to focus on self-determination and community infrastructure — I am not sure if all committee members are aware, but the government actually holds the first mortgages or caveats over many of our Aboriginal organisations' buildings, and that has prevented some of those organisations from being able to expand, move forward and really I guess invest in the equity of the services that they are delivering through looking at the facilities that they are operating in.

With this program we are looking to initiate the removal of first mortgages over some of these properties. There are 25 eligible Aboriginal organisations for this program and they own 53 properties that are subject to first mortgages. This is a process where we can put in place both repairs and maintenance but also governance support in order to make those changes. These sorts of changes are really essential in both delivering self-determination and closing the gap.

Also, over onto the next slide, the *Victorian Aboriginal Economic Development Strategy* has been well underway and was launched and released this year. I am proud to say that we have made a commitment of a 1 per cent procurement target for Aboriginal businesses, announced in March this year.

We also established the Victorian Aboriginal Economic Board in the middle of last year, which has done a power of work already linking up with local Melbourne-based business leaders but also regional local business leaders. They held a very successful forum in Geelong earlier this year where they were able to connect with local businesses and have nine local big businesses sign up to the Geelong Aboriginal economic agreement, which provides economic and employment outcomes for local Aboriginal people.

We have also set ourselves a target, and we will continue to deliver on that target, for an Aboriginal public sector employment arrangement. The Victorian public sector is only 57 more Aboriginal employees away from meeting our employment target, and I am very confident we will get there soon.

Finally, in the area of cultural heritage management, a total of 1120 Aboriginal places have been added to the Aboriginal heritage register from 1 April last year to 1 April this year. While it looks like a very complex chart, you can see just how much work has been done in having cultural heritage management plans in place, and that is because Melbourne is growing and we are developing more and more areas on the outskirts and for the first time some of this land is being uncovered. I am confident that my department is doing a very good job, in conjunction with the registered Aboriginal parties, in delivering some good outcomes with cultural heritage management plans in place.

Ms WARD — Wominjeka, Minister and everyone. It is lovely to have you here. Minister, there is a great line that Yothu Yindi sing in their song *Treaty*:

I'm dreaming of a brighter day
When the waters will be one —

which I think is a really good introduction to asking you to expand on where we as a government are going with our treaty with our Indigenous peoples as a government.

Ms HUTCHINS — Yes, thank you. Our work that we have done towards self-determination and treaty is one that came from a really clear call from the community. I think I may have spoken about this a little bit at last year's Public Accounts and Estimates Committee, but certainly we have come a long way over the last 12 months. We are at a phase now where our focus is on designing and developing a representative body for Aboriginal Victorians in order for them to be able to move to the next phase of negotiation and engagement with the broader community over the matters pertaining to a treaty down the track.

I have to say that I am really impressed with the work the interim treaty working group has done in reaching out to community, along with my department and their support in reaching 7500 Aboriginal Victorians. Some people have asked me, 'Is that representative?', and I think that in terms of public engagement in any sector — when at this stage our statistics show that the identified Aboriginal population in Victoria is around 52 000; we may see quite a significant jump when we get the next census data because we know it is a growing population — to have reached out to that many people is a very significant phase of consultation. There has been overwhelming support for an elected body going forward. We are on the verge of now doing some further consultation around what that body will look like, how it will be elected from and by Aboriginal people and who will be eligible to stand, and then of course the ongoing role of that committee, which I would assume goes way beyond treaty negotiations.

Ms SHING — Minister, I might continue with some further questions in relation to the work that is being done to build on self-determination and strong culture. At the outset, congratulations to you and to the team and to all stakeholders throughout Victoria who have built on the positive momentum around increased engagement and co-design of access to services and service delivery. In particular I would like to single out local Aboriginal networks and also the Koorie Youth Council, who do such a power of work as part of a group that creates better levels of engagement across the board, including in so many of our rural and regional areas. That is such a really big part of keeping Aboriginal culture really strong in Victoria. How are we able to provide further programs and services that deliver for Aboriginal youth as part of this increased and strengthened engagement, and how can we harness that potential, including through networks such as the Koorie Youth Council and their wonderful staff?

Ms HUTCHINS — Thank you for the question. I have got to say that there is no brighter day that I face than when I get to meet with the Koorie Youth Council. Their energy, their passion, is amazing. They do an annual conference where they reach out to Aboriginal kids all across the state of Victoria and keep that connection going not just on the day of their conference but throughout the 12 months between that summit and the next summit. We do actually have some of the representatives of the Koorie Youth Council here with us today to observe.

Ms SHING — I was not aware, so scratch all of that complimentary stuff I said at the start. I did not mean it at all. No — they do wonderful work. You do wonderful work; thank you for coming.

Ms HUTCHINS — In terms of our commitments we have committed \$17.9 million out of this budget to really look at how we invest and support ongoing cultural programs. The Koorie Youth Council is a big part of that but also our LANs — the local Aboriginal networks, which I talked at length about last year. Thousands of Victorians now are being involved in those networks, more than anything to promote reconciliation but also to build strong communities. As I said at the start of my presentation, a lot of these matters go to the heart of *Closing the Gap* and our initiatives there. How can supporting initiatives like the Koorie Youth Council and our local Aboriginal networks close the gap might be the question. Quite frankly connection, identity and supporting culture are probably the three most important things that we can do as a government to support our Aboriginal organisations. We know, the facts show us, that when you have an Aboriginal organisation at the head of delivering services to their community, we see really fantastic outcomes and we actually do see movement in closing the gap. I would say that the work that the Koorie Youth Council does in supporting young Aboriginal people to take on leadership roles but also to have healthy lives and mentally healthy lives is a really important step that no-one can underestimate.

Ms SHING — Including positive role modelling, mentoring and again connection to culture, tradition and pride of place as part of self-determination are crucial. Can any Aboriginal or Torres Strait Islander person attend LANs or Koorie Youth Council meetings or forums?

Ms HUTCHINS — Yes. There is no doubt that there is a really strong connection in our LAN communities for people to come along. In fact our LAN groups across Victoria quite often will have Aboriginal — —

The CHAIR — Order! We might take that on notice, Minister.

Ms STALEY — Minister, I am going to ask about Aboriginal education. I refer to BP 3, page 182. Your government has always said that Aboriginal affairs is a whole-of-government responsibility all under your overview. The year 9 NAPLAN testing for Aboriginal students being above the bottom three bands in numeracy has collapsed from 24.3 per cent to 19.9 per cent in just one year, an 18.1 per cent drop. For reading it has fallen from 24.6 per cent to 21.4 per cent. When we are trying to bridge the gap and increase employment opportunities for Aboriginal people, will you admit that the NAPLAN results for year 9 Aboriginals are in crisis and going so horribly backwards under your government?

Ms HUTCHINS — I thank the member for her question, but I do not necessarily agree with the premise of the question. In fact it is this government that has actually put in place the Aboriginal education plan which was launched on 11 July last year, which I know had the heart and soul of Aboriginal community, including VAEAI, embedded in the initiatives that were put into that plan. Certainly we are seeing some good outcomes in our early years, and we are seeing some fantastic outcomes in our year 12 retention, but there is still some way to go, and that is why we have a plan and that is why we have put a plan in place. We have also committed \$8 million over four years to support the implementation of that plan. We are substantially improving educational outcomes, and we are going to continue to work on it, and quite frankly — —

Mr T. SMITH — The budget is not lying, is it?

Ms STALEY — NAPLAN testing is what it is; they are the results. They have gone backwards quite significantly.

The CHAIR — Sorry, is there another question, Ms Staley?

Ms HUTCHINS — Perhaps, Ms Staley, you might want to acknowledge the fact that the federal government has attacked the education system through the Gonski funding and the lack of commitment there. Aboriginal students are not just singled out in year 9.

Ms STALEY — Minister, in BP 3, pages 176, 177 and 182, we see that the 2016–17 expected outcome is below the 2016–17 target for Aboriginal education in year 3 numeracy, year 5 numeracy, year 5 reading and year 7 reading. These are your government's targets. Why are Aboriginal education targets not being met in these categories?

Ms HUTCHINS — I thank the member for her question, but in terms of our performance in regard to overall *Closing the Gap* targets, there have been significant advancements in the education sector, and there is still a long way to go, and I premise all of my comments with that. The *Closing the Gap* report notes that the only significant decline recorded across jurisdictions for this target in Victoria was year 3 numeracy, but there has been a higher percentage of Victorian students meeting the NAPLAN benchmarks across reading, numeracy and writing, and for us we have made great gains in being able to attain Aboriginal children in year 12. I think that sort of outcome of a 68.5 per cent target being met — —

Ms STALEY — Minister, why are the targets not being met? I asked you about targets for year 3 numeracy, year 5 numeracy, year 5 reading and year 7 reading, and you are giving me everything other than that. Could you please explain?

The CHAIR — Order! Ms Staley, while I do appreciate the fact that you have recently arrived on the committee and you were not here for Minister Merlino's appearance, I think that in relation to your budget paper measure, it is actually under the Department of Education and Training, and while the minister has been responsive to your earlier questions, I think the substance of your question is probably more appropriate for the Minister for Education.

Ms STALEY — Chair, just on your intervention, I make two points. Firstly, I refer to the minister's own words in a media release in which she said:

Education is the key to success —

for Aboriginal people —

We are working to open more doors and career opportunities for Aboriginal students.

I also refer to the fact that in her presentation today she referred to the *Marrung Aboriginal Education Plan 2016–2026*.

Ms HUTCHINS — Yes, something I am proud of.

Ms STALEY — And that is a DET program.

Mr T. SMITH — And Aboriginal affairs is a whole-of-government responsibility and prerogative, is it not?

The CHAIR — I am not suggesting, Ms Staley, that you cannot ask the question. What I am suggesting to you is that the minister's ability to respond to the question will be in part limited because a great body of this work would sit within the Minister for Education's portfolio, but I am happy for the minister to continue.

Ms HUTCHINS — I do not think you can just single out one particular year, look at those results and say, 'Why isn't this government this year delivering on it?', when in fact those children would have probably been in preschool years in the previous government. One thing that I am proud of is that we have seen a lift in the enrolments of four-year-olds, and that has been quite significant. The rates for Victoria have lifted, and that has been through a big effort of Victorian Aboriginal-run organisations across this state partnering with government. But I am happy to talk about further budget initiatives funding for high-quality parenting and support delivery for Koori-supported playgroups and maintaining the early years literacy and numeracy program. There are a number of initiatives through the Marrung education report.

Ms STALEY — Minister, you can just keep talking, but you were not asked about that; you were asked about some specific things. You can say you do not know. The Chair has given you the opportunity to say you do not know.

The CHAIR — Ms Staley, you will not verbal the Chair. What I said very clearly was to say that if you are asking very detailed and specific questions about the education portfolio, that would be a question best directed to the Minister for Education.

Mr T. SMITH — It is a very basic question.

The CHAIR — The minister has been responsive to your question in terms of talking about some of these issues that have been underway and have occurred under this administration.

Ms HUTCHINS — Actually I would not say it is a very basic question, because I would say the whole issue of Aboriginal education in this state is a complex issue, and in fact for our *Closing the Gap* targets, all of those are linked together, and we are making progress. In fact we are above the national average when it comes to Indigenous enrolment in four-year-old kinder, in school attendance and in attainment at year 12.

Ms STALEY — Your results are going backwards.

Ms HUTCHINS — We have performance of Indigenous students against NAPLAN benchmarks in reading, writing and literacy up across the board.

Mr T. SMITH — Only NAPLAN benchmarks can be assumed across all students but not for Aboriginal students; why?

Ms HUTCHINS — We are seeing significant advancements, and we have a plan that was launched in the middle of last year, and we are funding that plan. That stands in stark contrast to the previous government, who lagged behind when it came to this matter.

Mr T. SMITH — Here is the question. We asked a question with regard to why measures are going backwards.

Ms HUTCHINS — Many of the measures are going forward.

Ms STALEY — I asked about a large series of numbers. I did not cherry-pick the data.

Ms HUTCHINS — I do not agree with the premise of your question. I think there is a long way to go in Aboriginal education.

Mr T. SMITH — Is the budget wrong?

Ms HUTCHINS — There is a long way to go, but there are advancements being made.

Ms STALEY — Is BP 3, page 176, wrong?

Ms HUTCHINS — This government has a plan, and this government is investing \$8 million over the four years going forward to put this plan in place.

Ms PATTEN — Minister, I refer to budget paper 3 page 4, around the alcohol and other drug treatments for Aboriginal Victorians. I note that this budget will bring on 34 more Aboriginal alcohol and drug workers. I appreciate that is part of the larger health services drug treatment and rehabilitation output. Can you tell me how this collaboration is going to work with and take place within the Aboriginal community? Will drug users be part of that process, and will these positions be Aboriginal-identified positions — be for people who identify as Aboriginal?

Ms HUTCHINS — I thank the member for her question. As I said, in terms of our commitments around closing the gap and making real changes to life expectancy and improvements to health, we think that the way forward is to ensure that we are partnering and funding our Aboriginal organisations, such as VACCHO and others, to deliver these services most importantly in place. We recognise that alcohol and drug abuse are very big contributing factors to disadvantage. They are key factors into the reasons why children are taken out of home and put into out-of-home care. But to go to the heart of your question around will we be delivering these services with Aboriginal people, the answer is absolutely. It will be delivered through our Aboriginal health services across the state. Those health services are the single biggest employer of Aboriginal people in the sector, and there is no doubt about it that they will be engaging more Aboriginal people in this program to help deliver the program in the places that it is most needed.

Ms PATTEN — Following on from that, given the appalling statistics on Aboriginal incarceration and recidivism, is there anything in the budget that is going towards addressing those really depressing figures around the over-representation of Aboriginal people in our justice system?

Ms HUTCHINS — Thank you for the question. Certainly engagement and breaking down the barriers of social isolation are probably two of the biggest challenges that we face with Aboriginal youth. That is exactly why we are putting money into supporting our local Aboriginal networks but also our Koorie Youth Council to continue to work on programs to connect culture, to tackle alcohol and drug abuse. I think the most significant issue is around mental health. We know family violence plays a role in this. Our commitments that we have made through the budget in targeting family violence will go some way to identifying young people that are at risk of juvenile detention or breaking the law.

Ms PATTEN — Are there any measures in there, because the statistics just seem to be getting worse and worse each year? I appreciate it is a very broad issue, but are we going to have any measurements?

Ms HUTCHINS — Yes, if I can ask Rebecca to respond.

Ms FALKINGHAM — Thank you for the question. It is something that we are actually working on nationally at the moment with the commonwealth. COAG next week will actually look at a plan around prisons work, which will actually start to really examine what the justice measures are for *Closing the Gap*. We are working with it closely, so Jason and his team are leading the work with the commonwealth around what the refresh of *Closing the Gap* will look like, and we are committed to making sure that we are bringing those incarceration rates down. We think that both levels of government have got a significant role to play, both within the corrections system but within all the support services that sit around the corrections system, so making sure that there are the right mental health and the right drug and alcohol programs not only within the prison but when Aboriginal people leave the prisons themselves. There is a significant announcement coming next week that will start to get us on the right pathway around bringing that incarceration rate down at the moment.

Ms PATTEN — And have targets.

Ms FALKINGHAM — And have targets, and it is in close collaboration with the Aboriginal community itself to be committed to making sure it is driven by the principle of self-determination.

The CHAIR — Order! I would like to thank the witnesses for their attendance. The committee will follow up on any questions taken on notice in writing. I believe Ms Pennicuik may have supplied some questions to the secretariat. The responses answering the questions in full should be provided in writing within 10 working days of the committee's request.

Witnesses withdrew.