

Chapter 3 **Redevelopment of the Block**

The terms of reference for the Inquiry require the Committee to examine proposals for the future of the Block. The long-term future of the Block and its residents is a complex issue requiring initiatives to address social and economic disadvantage experienced by the local Aboriginal community. These issues will be examined in the second stage of the Inquiry and will be addressed in the Final Report.

This chapter focuses on the future of the Block in terms of the redevelopment of housing. The purpose of the Committee's examination of this issue is not to decide what the future of the Block is to be, as that must be determined by the Aboriginal Housing Company and the Aboriginal community. Rather, the Committee has sought to gather together the range of views expressed by members of the community and local organisations during this Inquiry, in order to explore the issues surrounding the Aboriginal Housing Company's Pemulwuy Redevelopment Project and the progress of the redevelopment. This chapter commences with a brief history of the Block and the Aboriginal community in Redfern and Waterloo.

History of the Block and the Aboriginal community in Redfern

- 3.1** 'The Block' is the colloquial name for a residential block in Redfern bounded by Louis, Vine, Eveleigh and Caroline Streets. The Block is owned by the Aboriginal Housing Company. A map of the local area is set out as Appendix 4.
- 3.2** Redfern and the Block in particular, is a place of political, spiritual and cultural significance for Aboriginal people in Sydney and also for Aboriginal people throughout New South Wales and Australia. Indeed, the Block has been described as the 'Black Heart' of Australia.¹⁰³ Ms Joyce Ingram, Aboriginal Elder, told the Committee: '[I]t was given back to the indigenous Aborigines - not to one person in particular but to the Aborigines themselves - so we always look to it as our land.'¹⁰⁴
- 3.3** The Gadigal people of the Eora Nation were the original occupants of the land now known as the suburbs of Redfern and Waterloo.¹⁰⁵ Aboriginal presence in the area dates back over 40,000 years. The arrival of the British in 1788 decimated the Eora tribes and the remaining Aboriginal people were forced out of the area.
- 3.4** The first European settlement in the Redfern area was by way of a government grant to William Chippendale in 1819. The area was eventually sold to John Hutchinson, a landowner who had also received a land grant to the south of this area. Hutchinson in turn bequeathed the land to his son-in-law John Rose Holden who, in the late 1840s, built Eveleigh House on the area now known as the Block.

¹⁰³ Australian Heritage Commission, Place Details of the Block, Redfern, NSW: www.ahc.gov.au (accessed 24 June 2004)

¹⁰⁴ Ms Joyce Ingram, Evidence, 19 May 2004, p28

¹⁰⁵ Valilis P, Pitts A, *Pemulwuy Reconstruction Project*, Aboriginal Housing Company, Sydney, 2003, p13

- 3.5** In the late 1800s the construction of the railway cut through Holden's property. His property also became the site of the Eveleigh Railway Workshops and subsequently Eveleigh Railway Station, which was renamed Redfern Station in 1906. The Railway Workshops employed a large number of labourers, particularly Aboriginal workers, who were employed for their skill and cheap labour. Thus began the return of Aboriginal people to the Redfern area.
- 3.6** In response to this large influx of workers to the Redfern area, substantial residential construction began in the 1880s, establishing 'working class houses...largely brick rendered with iron roofs and timber verandahs.'¹⁰⁶ These terrace houses still form the majority of housing on and around the Block area today.
- 3.7** Throughout the first part of the twentieth century the Railway Workshops continued to draw Aboriginal people to the area with the promise of regular employment and relatively cheap rent - qualities that became more important with the onset of the depression of the 1930s when the opportunity for rural work became scarce. When in 1967, the national referendum giving citizenship rights to Indigenous people was passed, the area again saw a large population increase:
- The new sense of freedom following the referendum brought many people, from mainly rural areas of NSW and Queensland to Sydney where there were greater opportunities for jobs, education and housing.¹⁰⁷
- 3.8** By that time the population had far outgrown the capacity of the existing accommodation to meet its needs adequately and a combination of factors, including racism and high rents, made it difficult for Aboriginal people to find accommodation elsewhere. Homelessness, poverty and health problems became widespread throughout the area.
- 3.9** Despite these difficulties, a strong sense of community had developed in the area, with many significant Aboriginal organisations beginning here in the early 1970s, including the Aboriginal Medical Service and the Aboriginal Legal Service. This sense of political and cultural history is an important aspect of the area today. As Ms Marcia Ella-Duncan, Chairperson, Sydney Regional Council, ATSIC explained in evidence to the Committee:
- Redfern has an incredibly rich and proud history of dealing with Aboriginal disadvantage, it is the area where our legal services were born, our Aboriginal medical services, our Aboriginal children's services, and they are still critically important to our well-being.¹⁰⁸
- 3.10** In 1972 the eviction and arrest of 15 squatters from houses on Louis Street resulted in temporary housing being established in a school hall attached to St Vincent's, Redfern's local Catholic church. The need for accommodation in the area was so great that the number of homeless people seeking refuge in the church rapidly increased, until

¹⁰⁶ Australian Heritage Commission, *Place Details of the Block*, Redfern, NSW: www.ahc.gov.au (accessed 24 June 2004)

¹⁰⁷ *ibid*

¹⁰⁸ Ms Marcia Ella-Duncan, Chairperson, Sydney Regional Council of ATSIC, Evidence, 18 May 2004, p38

approximately 50 people were living in the hall.¹⁰⁹ Within a month, South Sydney Council served a notice closing the premises on grounds that included overcrowding and offensive behaviour.

3.11 The search for alternative accommodation led to houses on Louis Street that were scheduled for demolition by the owner, IBK Constructions. Aboriginal community members, who had by this time formed the Aboriginal Housing Committee (later to become the Aboriginal Housing *Company*) approached IBK seeking an arrangement whereby they could occupy certain houses until the company commenced building.¹¹⁰ The Committee was assisted by three priests from the Redfern church and the Builders Labourers' Federation which threatened 'green bans' on IBK. An agreement was negotiated and, with the assistance of the Builders Labourers' Federation and the Plumbers' Union, three houses were cleaned and made ready for occupancy. 45 Aboriginal people became residents in these houses.

3.12 Meanwhile, solicitations for assistance were being made to the newly elected Whitlam Federal Government, which was sympathetic to 'self-determination' for Aboriginal Australians. In January 1973 the Aboriginal Housing Committee submitted a formal request for Commonwealth funding of a 'cooperative housing scheme for Aborigines', which was later to become the Block.¹¹¹ By mid-March 1973 approximately 150 Aboriginal people lived in a number of houses on Louis Street, some of which had been renovated by the Committee (with the tacit acceptance of IKB Constructions), while others were still condemned.¹¹²

3.13 In April 1973, after much negotiation and against strong opposition from a number of quarters, including the local Council, the Federal Government bought the 41 houses that lay between Louis, Vine, Eveleigh and Caroline Streets. The houses were handed over to the newly constituted Aboriginal Housing Company (AHC) to 'undertake the rehabilitation of houses using Aboriginal labour where possible, and act as a landlord, being responsible for screening tenants and renting houses.'¹¹³ Renovation began and tenants were accepted, creating one of the first urban housing projects run by Aboriginal people for Aboriginal people. The current CEO of the AHC, Mr Michael Mundine, described the AHC in evidence to the Committee as follows:

The Aboriginal Housing Company was set up for Aboriginal people with a low income who could not afford housing in the open market. It was set up for Aboriginal people with a low income who could not manage in life, as a stepping-stone to bigger and better things out in the open community.¹¹⁴

¹⁰⁹ Anderson KJ, 'Place narratives and the origins of inner Sydney's Aboriginal settlement, 1972-1973', *Journal of Historical Geography*, 19, 3 (1993) pp314-335, p322

¹¹⁰ *ibid*

¹¹¹ *ibid*, p326

¹¹² *ibid*

¹¹³ *ibid*, p330

¹¹⁴ Mr Mundine, Aboriginal Housing Company, Evidence, 19 May 2004, p2

- 3.14** The Block is now listed on the Register of the National Estate kept by the Australian Heritage Commission, as a place of historic and Indigenous significance.¹¹⁵ The Block's place in Redfern has shaped it as a central meeting place for Aboriginal people living in Sydney and those visiting Sydney. Mr Kevin Smith, a member of the Aboriginal community explained to the Committee that '[w]e have got a population of people who come here from other country areas ... from other States. They always gather at the Block. This is the first place they come. This is the first place of focus.'¹¹⁶
- 3.15** Its status and high profile have also made the Block a focal point for many of the social problems that have affected Aboriginal people since colonisation. Poor health, low employment, poverty and substance abuse have all become prominent characteristics of the Redfern area, producing a great deal of negative media attention.
- 3.16** Although the early 1980s saw an attempt at renovating some of the properties on the Block, the AHC was unable to effectively manage the combination of acute social problems experienced by its tenants and the seriously dilapidated housing. Conditions at the Block continued to deteriorate to the point that in 1992:
- ...there was no help or support forthcoming from the community, government organisations or other Aboriginal organisations ...with no money from rent coming in, the homes were left without maintenance, thus continuing the rapid deterioration of the housing stock.¹¹⁷
- 3.17** In 1997 the AHC commenced a program of demolishing some of the most dilapidated houses on the Block, to pave the way for the Pemulwuy Redevelopment Project. To date, 21 houses remain of the original 41 and many residents have been relocated to houses around New South Wales and Australia. Despite extensive plans for the future, the AHC cannot implement them without external financial assistance; meanwhile conditions on the Block continue to deteriorate.

The Aboriginal Housing Company

- 3.18** The Committee met with the CEO of the AHC, Mr Michael Mundine, and several staff, when the AHC hosted a very informative site visit for the Committee in May. The site visit enabled the Committee to gain a first hand impression of the area and learn about the AHC's Pemulwuy Redevelopment Project. The AHC also provided the Committee with valuable information in its submission to the Inquiry and in oral evidence.
- 3.19** The Committee appreciates the AHC's participation in the Inquiry and acknowledges the high level of dedication and enthusiasm amongst the AHC management and staff to redevelop the Block and to sustain its long-term future. The Committee also acknowledges the assistance the AHC has received from a range of professionals who have provided pro bono services to the redevelopment project for a number of years.

¹¹⁵ For further information on the Register of National Estate see the Australian Heritage Council website: www.ahc.gov.au/register/index.html (accessed 2 July 2004)

¹¹⁶ Mr Smith, Evidence, 19 May 2004, p50

¹¹⁷ Pitts A, Valilis P, *Pemulwuy Reconstruction Project*, Aboriginal Housing Company, 2003 p52

Company structure and funding

3.20 The AHC was incorporated in July 1973 and is a company limited by guarantee.¹¹⁸ The AHC describes itself as a community-based organisation with three tiers of governance:

The company consists of three tiers of governance. Its grass roots membership is made up of Aboriginal and Torres Strait Islander community people from all walks of life. The members generally meet on an annual basis, or as required by law, to elect directors as representatives and generally monitor company decisions. The Directors on behalf of the members then meet monthly to steer the general direction of the company and to protect the interests of the community. Finally the AHC's management consists of an executive and administration component, both being responsible for the day to day operations of the company with direct accountability to both the Board and the members.¹¹⁹

3.21 The AHC has received a recurrent grant to assist with operating costs first from ATSIC and the Aboriginal Housing Office (AHO) for many years:

At the time of the establishment of the AHO in 1998, the AHC was in receipt of a recurrent grant from ATSIC of approximately \$70,000 to assist with operating costs. These funds were allocated by ATSIC under its Community Housing and Infrastructure Program (CHIP). As a component of the *Agreement between the Commonwealth Government, the Aboriginal and Torres Strait Islander Commission and the New South Wales Government on the Provision and Management of Housing and Housing Related Services for Aboriginal People and Torres Strait Islanders*, the NSW Aboriginal Housing Board resolved to continue the commitment made by ATSIC to provide recurrent funds to the AHC on the grounds that to cease the funding would result in a large loss of housing availability for Aboriginal people in the area.¹²⁰

3.22 Since 2000, the AHC has received recurrent funding of \$84,000 (including GST) from the AHO under these arrangements. Due to concerns about the management practices of the AHC (see paragraphs 3.25-3.44) this funding has been provided in quarterly amounts on the provision of information about the AHC's operations.¹²¹ The AHC has also received assistance from the AHO in the form of emergency health and safety repairs to 43 of its properties (not on the Block) in recent years worth \$900,000.¹²²

3.23 The Committee was also advised that ATSIC funded the AHC's Project Manager position for three years.¹²³ In addition, the NSW Government, through the Redfern/Waterloo

¹¹⁸ Submission 55, NSW Government, p221. 'Limited by guarantee' means that if the company is wound up when it is in debt the liability of members is guaranteed to be a nominal amount (eg \$20 - \$100). A company limited by guarantee cannot distribute profits to its members or issue shares.

¹¹⁹ www.ahc.org.au (accessed 28 June 2004)

¹²⁰ Email from Mr Aldo Manitta, Director, Executive Services, NSW Aboriginal Housing Office, to Senior Project Officer, 12 July 2004

¹²¹ *ibid*

¹²² Submission 55, NSW Government, p221-222 and Email from Mr Aldo Manitta, Director, Executive Services, NSW Aboriginal Housing Office, to Senior Project Officer, 12 July 2004

¹²³ Ms Lani Tuitavake, Property Manager, Aboriginal Housing Company, Evidence, 19 May 2004, p2. Since ATSIC's funding ceased the position has been funded from generated income with some assistance from the Department of Aboriginal Affairs

Partnership Project (RWPP), has provided a range of non-financial assistance to the AHC in recent years, as explained in this chapter.

The Block and other properties owned by the AHC

- 3.24** The AHC is the sole owner of the freehold title that makes up the Block. The demolition of many of the houses on the Block is discussed in paragraph 3.65. The AHC also owns over 40 properties in other parts of Redfern, NSW and Queensland. These include properties opposite the Block on Eveleigh and Caroline Streets and the AHC's current office building on Lawson Street in Redfern.¹²⁴ A map of land ownership on and around the Block, including the AHC's holdings, is set out in Appendix 4.

Current financial and management status of the AHC

- 3.25** The Committee has heard that the AHC is experiencing significant management difficulties and related financial problems. As the long-term future of the Block is dependent on the AHC's ability to successfully manage the redevelopment and its subsequent administration, the AHC's current financial and management status is examined briefly below.

- 3.26** The Government's submission states that in the first year of AHO funding, the minimum performance standards set as a condition of funding were not met by the AHC.¹²⁵ In 1999, a number of reform targets were set in consultation with the AHC management, including the development of a business and asset management plan and improvements in corporate governance, methods of allocating properties and setting and collecting rents.¹²⁶

- 3.27** The Government's submission reports that since then the AHO has worked with the AHC 'to bring its management up to a standard that will facilitate the financial sustainability of the AHC's housing operations.'¹²⁷ This has involved:

...joint meetings of the AHC Board and the NSW Aboriginal Housing Board; allocation of a senior project officer to assist the AHC to improve management practices; clear guidance to the AHC about the management actions necessary to secure funding requirements in the future and continuation of funding with special conditions to assist the AHC to meet funding requirements in the future.¹²⁸

- 3.28** The Government has advised that despite the intervention of the AHO, the AHC has not to date improved its practices satisfactorily and that the AHO has now assisted the AHC 'to the limits of its capacity':

For various community and governance related reasons, the AHC has not implemented the recommendations made by the AHO that would have enabled it to

¹²⁴ Submission 55, NSW Government, p224

¹²⁵ *ibid*, p221. Note that as the Committee has not received any information about the funding relationship between the AHC and ATSIC, this discussion focuses on the relationship between the AHC and the AHO

¹²⁶ Submission 55, NSW Government, p221

¹²⁷ *ibid*, pp221-222

¹²⁸ *ibid*

meet the minimum standards. In spite of the AHO's assistance, the AHC's financial statements for 2002-2003 suggest that its financial management, organisational governance and operations have not yet reached a sustainable level. The AHO now considers that it has assisted the AHC to the limits of its capacity within the parameters of the program principles of sustainability and needs-based allocations. With funding for Indigenous housing strictly limited, the AHO has judged it essential that funding be targeted to organisations which meet the minimum management standards required for sustainable operations. In effect, this has meant that any future AHO funding support in the absence of major organisation reform will be problematic.¹²⁹

3.29 When questioned about the potential for future funding, the CEO of the AHO, Mr Russell Taylor, indicated that the audit of the financial affairs of the AHC commissioned by the Government (discussed at paragraph 3.37) may be determinative:

The broad issue from the AHO's point of view is that funding becomes problematic in any organisation in which solvency is at risk and in which the financial position suggests that the organisation and its assets are under threat. The broad answer is that it becomes less problematic as the financial position improves. The same answer applies to the AHC. I hope and I expect that the latest audit report will contain clear recommendations about what reform the AHC needs to undertake and the pace of reform. I imagine that it would go to governance and financial management issues, and possibly even structural issues. The AHC will have to make some hard decisions about that. It needs to look at its own capacity and assess its ability to undertake whatever comes in the future. We should bear in mind that the project now under consideration involves about 60 units and ramps up the capacity requirements of the AHC considerably in terms of what it might have been doing in the past. I hope that the AHC is able to undertake and successfully negotiate whatever organisational changes are needed, to resolve its current issues and to move into the future with some confidence and some capacity.¹³⁰

3.30 The Committee is also aware of criticism within the community that the make up of the AHC management team is not reflective of the Aboriginal community. For example, Ms Joyce Ingram's submission indicated there is dissatisfaction within the community about the current make-up of the AHC management team:

For a long time we have said, "Let the Elders and other responsible people have the chance to be elected to the Housing Company that controls The Block and let them then make rules for the sake of the community". I believe you would see resolution of the most difficult problems on The Block if democratic elections to the board of the Housing Company were to be facilitated.¹³¹

3.31 Mr Gary Moore, the CEO of NCOSS stated:

...it has been said to us quite frequently that...the interfamily, the difficult politics that exist between different groups within the indigenous community are not reflected in the board of the Aboriginal Housing Company. It is perceived by a number of

¹²⁹ *ibid*, p222

¹³⁰ Mr Russell Taylor, CEO, Aboriginal Housing Office, Evidence, 8 June 2004, p33

¹³¹ Submission 23, Ms Joyce Ingram, p3

people on that score perhaps not to be able to deliver for the broader issues of the population.¹³²

- 3.32** Mr Moore argued that a new project management structure needs to be put in place to assist the AHC redevelop the Block:

As part of the conditions for receiving funds from Government and/or the private sector to enable the redevelopment to proceed, the Aboriginal Housing Company should establish a new project management structure, which includes representatives of the Department of Housing, other Aboriginal community organisations in Redfern and Waterloo and the City Council.¹³³

- 3.33** The AHC has indicated that the reasons for its difficulties stem from the problems associated with extracting rent from its tenants. Mr Peter Valilis, the AHC's Project Manager, advised that almost all of their tenants have had some problems with arrears at some time: 'I would say, all up, I think we have 62 properties and pretty much everybody - I would not say 100 per cent but almost 99 per cent of them - have problems with arrears at some point...'¹³⁴

- 3.34** Mr Valilis elaborated on the particular problems faced by the AHC as a social housing provider for a disadvantaged group:

Generally, because we are a social housing provider our first option is not to evict. We work with the tenants as much as possible and, in all honesty, from our perspective, many of our tenants are on social security benefit and if we evict them and try to get the money from them as a bad debt it is impossible. We have a better chance of recovering the debt if we leave them there and work with them to help recover funds. But I have to say that we have gotten to the point with many tenants where we realise that it is just a dead loss and no recovery will be possible. Although, on the other side of the coin, we have had very great success with some tenants, who have paid back lump sums in \$5,000 or \$6,000 lots. We have had some good results in recovering rent and some bad results. We try our best with our tenants because we are more than just the big bad housing manager. We are social housing and we try to help our tenants. These are Aboriginal people who need as much help as we can give them and we try to give them that help.¹³⁵

- 3.35** The AHC has also informed the Committee that significant resources are taken up with providing support and referral services to members of the local Aboriginal community that should be provided by government and non government services in the area.¹³⁶ This issue will be explored in further detail in the second stage of the Committee's Inquiry.

- 3.36** The Committee also notes that as pointed out by Mr Moore, CEO of NCOSS, any community housing organisation would have difficulty managing a major redevelopment since that is not their primary role:

¹³² Mr Gary Moore, Director, Council of Social Service of New South Wales (NCOSS), Evidence, 18 May 2004, p35

¹³³ Submission 56, NCOSS, p2

¹³⁴ Mr Peter Valilis, Project Manager, Aboriginal Housing Company, Evidence, 19 May 2004, p3

¹³⁵ *ibid*, p4

¹³⁶ Submission 42, Aboriginal Housing Company, pp5-6

The other side of the equation is that it is so difficult to think that any community housing organization, the Department of Housing trying to manage a major redevelopment, it needs the kind of skills and the resource base we think that it simply does not have.¹³⁷

3.37 The Government has advised the Committee that it has commissioned an audit of the financial affairs of the AHC, which will no doubt clarify this issue. The Government's submission states that '[t]he need for the audit was supported by the Board of the AHC and the Terms of Reference was signed off by the Chair and Chief Executive Officer of the Company'.¹³⁸ The Government's submission stated that the audit was to be completed by mid-May.¹³⁹ At the time of drafting the audit was not yet finalised.

3.38 Mr Valilis advised the Committee that the AHC has worked with the auditor and predicts that the audit will show that the demolition of houses on the Block in preparation for the redevelopment has impacted on their financial position:

In regard to the assessment, we have worked with the fellow who was doing the assessment. We have not received a draft of it yet so I am not really sure what is going to be in the assessment, except to say that it will probably be the same as every assessment that has ever been done. What the assessment will probably say is that the housing company has been demolishing its assets over many years to undertake this redevelopment. It now does not generate enough income to be self-sustaining.¹⁴⁰

3.39 The RWPP has also advised the Committee that it has commissioned a valuation of the Block and the AHC's other properties to 'ensure the AHC's assets are properly valued and included in its financial statements'.¹⁴¹ The RWPP originally advised the Committee that the valuation was due to be completed by mid-June 2004.¹⁴² The Committee now understands that the valuation will not be completed for some months.

3.40 The Government has indicated that it is relying on the outcome of the audit of the financial affairs of the AHC to guide it in terms of the capacity of the AHC to manage the redevelopment. For example, Mr Taylor stated in evidence that:

I am looking forward to that report to show us what strategies are needed to get the Aboriginal Housing Company on the front foot and on the right track... We hope that whatever recommendations come out of the financial audit of the housing company will enable it to move forward very positively and to get the project considered and assessed and, if those assessments show that it is viable, up and running.¹⁴³

3.41 It appears to the Committee that the AHC has to some extent taken responsibility for the difficulties it now faces. For example, Mr Mundine stated in evidence to the Committee:

¹³⁷ Mr Moore, NCOSS, Evidence, 18 May 2004, p35

¹³⁸ Submission 55, NSW Government, p223

¹³⁹ *ibid*

¹⁴⁰ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p16

¹⁴¹ *ibid*

¹⁴² Answers to questions on notice taken during evidence 18 May 2004, Mr Michael Ramsay, RWPP, p22

¹⁴³ Mr Taylor, Aboriginal Housing Office, Evidence, 8 June 2004, p30

... I want to say today that we are not afraid of saying that we made mistakes in the past. We are trying to justify what we are trying to do, and what I want to say today is that we have made mistakes. We get blamed for a lot of things that happen around here. We will take the blame for some of the things that are done around here, too, so we are not saying that we do not take the blame.¹⁴⁴

3.42 Mr Tony Pooley, Councillor for the City of Sydney and former mayor of the South Sydney City Council, expressed the view that there is a readiness on the part of the senior management of the AHC to change:

I think that there have certainly been problems with the Aboriginal Housing Company and its management. I think they found it exceptionally difficult to collect rents. I think there have certainly been allegations about nepotism in terms of who gets accommodation. That has been around for 10 years. I think there has been some improvement and I think that there is a readiness—this is my personal view—on behalf of the senior management of the AHC to change. I think they recognise that it could not continue the way it has in the past.¹⁴⁵

3.43 The Committee agrees with the Government's submission which notes that the long term sustainability of any redevelopment on the Block depends on changes to the AHC's management practices:

In order to realise the aspirations of the local residents and the broader Redfern and Waterloo community, the redevelopment of The Block must be economically viable and sustainable into the future. This will only occur if the AHC, as the owner and manager of The Block, is functioning successfully.¹⁴⁶

3.44 It is not clear from the evidence presented to the Committee what exact state the AHC's financial and management affairs are in. The comments made in the Government's submission and by the AHO in evidence presented to the Committee, however, cast a shadow over the AHC's ability to manage the redevelopment and the ongoing administration of housing on the Block. The audit commissioned by the Government will no doubt clarify some of the issues and indicate a way forward.

¹⁴⁴ Mr Mundine, Aboriginal Housing Company, Evidence, 19 May 2004, pp15-16

¹⁴⁵ Mr Pooley, City of Sydney Council, Evidence, 25 May 2004, p60

¹⁴⁶ Submission 55, NSW Government, p221

The future of the Block

Options for the future of the Block

- 3.45** Several options for the future of the Block were proposed in submissions and by witnesses at hearings. Those proposals included redeveloping the Block to build houses for Aboriginal people, demolishing the properties and dedicating the area as a park, and selling the land and using the proceeds to fund services for Aboriginal people.
- 3.46** The Committee is aware that some members of the local community fear that the Block could be taken away from Aboriginal people. For example, in evidence before the Committee, Ms Joyce Ingram stated:
- ...To my way of talking, the birds are whistling and the dogs are barking that they want to get rid of the Aborigines—the indigenous Aborigines—of the Block so they can put high-rise housing or whatever—apartments—for \$300 and \$500 a week, and they want us to get off. They do not want us here. Gradually I really think myself that they want to push the Aborigines back out of Sydney, as Dad and Dave did with his sheep and his cattle.¹⁴⁷
- 3.47** It has also been speculated that commercial spaces may be incorporated into the redevelopment. As the owner of the land the AHC has made it clear, however, that it will not sell the Block and that its intention is to redevelop the land to provide 100% housing for Aboriginal people, rather than for any other purpose. In this regard, the AHC has stated that: '[t]he Block is an icon and an important meeting place for Aboriginal people around Australia and will never be sold off.'¹⁴⁸ The AHC has worked for many years to develop the Pemulwuy Redevelopment Project, which is examined in detail in the following section.
- 3.48** The Committee also notes that the AHC is bound by its Memorandum of Association in relation to the activities that it can carry out and is restricted to providing housing to Aboriginal and Torres Strait Islander people:
- the objects for which the Company is established are: to rent, let, license, provide housing, accommodation, premises, land, property real and personal, services to members and their dependants on such terms and conditions as the members deem fit.¹⁴⁹
- 3.49** The Committee is aware that the AHC made the choice to demolish the houses on the Block and redevelop the site rather than renovate, because of the state of the houses, the failure of previous renovations and the need for more appropriate housing for Aboriginal people:

¹⁴⁷ Ms Ingram, Evidence, 19 May 2004, p29

¹⁴⁸ www.ahc.org.au (accessed 25 June 2004)

¹⁴⁹ clause 2(a): Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 29 June 2004

There are several reasons the AHC has chosen to rebuild rather than renovate. Firstly, the 'renovate option' was tried and failed in the early 1980's. This option's failure to deliver a satisfactory outcome is evident when you compare the houses then to the houses now. Secondly, to bring the existing properties to a high standard would require complete restoration including structural improvements, not just cosmetic renovation. Anything less than a total rebuild would be a band-aid solution only. Thirdly, terraces are inappropriate housing for Aborigines, the properties are narrow, damp and generally claustrophobic, this being a contributing factor to poor health and some of the general social problems witnessed on the Block presently.¹⁵⁰

- 3.50** Several submission authors stressed the importance of the Block being redeveloped as housing for Aboriginal people and that it remain under the control and ownership of Aboriginal people. For example, in her submission, Ms Ingram stated:

I say, "Leave this little bit of our land in Sydney for our poor, this little bit of land where we have gathered for so many years, leave this for us". And I shall continue to say it to the end of my days. You may rebuild – the houses are certainly in a bad state – But please, build us houses which we can afford to rent so we can someday come home. Let our children have an opportunity to point to The Block and say with some pride "This is where I live".¹⁵¹

- 3.51** The Committee has also heard that the redevelopment of the Block is considered by many to be integral to the rejuvenation of Redfern and Waterloo. For example, the Government's submission states that '[t]he Redfern and Waterloo communities view the redevelopment of the Block as crucial to the regeneration of the area.'¹⁵²

- 3.52** As noted above, some submission authors suggested alternatives to redeveloping housing on the Block. Calls to 'bulldoze' the Block were reported widely after the riot in February this year. The Committee is also aware that there is some opposition to the redevelopment from within the Aboriginal community. The overwhelming view among submission makers and witnesses, however, supported the redevelopment of housing on the Block for Aboriginal people. The Committee agrees that the future of the Block depends on the redevelopment of housing for Aboriginal people. The Committee also recognises the importance of the Aboriginal community maintaining control over the land to ensure its continued significance as a place of importance to Aboriginal people in NSW and Australia.

- 3.53** A number of submission makers and witnesses emphasised the need to get the redevelopment of the Block underway as soon as possible. For example, Ms Angie Pitts, an Urban/Social Consultant to the AHC, expressed the urgency of the redevelopment in evidence to the Committee:

... I feel it is imperative that the development gets under way as soon as possible because the effects of the social and physical problems in Redfern in its present form are preserving a pattern of residential genocide. Basically the Aboriginal community continues to endure inadequate housing which leads them to severe problems, while also being subjected to a number of drug-related illnesses, disease and death directly resulting from the high level of drugs-related activity in the area. Basically what needs

¹⁵⁰ www.ahc.org.au (accessed 25 June 2004)

¹⁵¹ Submission 23, Ms Ingram, p2

¹⁵² Submission 55, NSW Government, p192

to be done is that there is a great need for support from the Government, both financially and in terms of a commitment from the Government, for action to make this work.¹⁵³

- 3.54** The Aboriginal Medical Service similarly stressed the need for the redevelopment to commence as soon as possible:

The AMS is alarmed by the NSW Government's ongoing delay in releasing promised monies for the redevelopment of the Block by the Aboriginal Housing Company. We are concerned that other agendas are at play and that we may face a rerun of our struggle against hostile developer interests that occurred previously. The NSW Government should hand over funds for the Block redevelopment as a matter of urgency so that much needed residential dwelling construction can proceed and the area will no longer be an ideal location for drug trafficking and use.¹⁵⁴

- 3.55** The Committee acknowledges the importance of the timely redevelopment of the Block. Despite the best intentions and considerable progress of the AHC, the redevelopment seems to have languished. The Committee is concerned that this is creating a sense of disillusionment within the local community and cynicism about the prospect of the redevelopment eventuating.

Redevelopment in the context of broader social change

- 3.56** As well as the redevelopment of housing, the social disadvantage experienced by the past and present tenants of the Block and the local Aboriginal community in general needs to be redressed. As noted in the Government's submission, 'in order to achieve long-term sustainability, any redevelopment must adopt a holistic approach. That is, the infrastructure project cannot be viewed in isolation from the area's social issues.'¹⁵⁵

- 3.57** The Committee does not see the redevelopment of housing on the Block as a solution to the human problems of the area. As Mr Pooley argued, new housing alone will not solve long-standing social problems:

While the Aboriginal Housing Company has been involved in demolishing derelict properties and have developed a Master plan to develop the site, this initiative alone will not solve long standing social issues such as drug and alcohol misuse, domestic violence and child neglect. The Block is a place of historical, social and cultural significance to Aboriginal people and any plans for its redevelopment will require a strategic plan for addressing these issues. It is vital that the redevelopment of the 'Block' occur as soon as possible.¹⁵⁶

- 3.58** Some of the aspects of social and economic disadvantage in the area that need to be addressed in order to ensure the long-term future of the Block are examined elsewhere in

¹⁵³ Ms Angie Pitts, Urban/Social Planning Consultant, Aboriginal Housing Company, Evidence 19 May 2004, p14

¹⁵⁴ Submission 47, Aboriginal Medical Service Co-operative Ltd, p4

¹⁵⁵ Submission 55, NSW Government, p192

¹⁵⁶ Submission 45, Mr Pooley, pp6-7

this Interim Report. The remaining issues will be examined by the Committee in the second stage of its Inquiry and in the Final Report.

Pemulwuy Redevelopment Project

Overview

3.59 The AHC has been planning the redevelopment of the Block for many years. In its submission to the Inquiry the AHC stated that the redevelopment ‘...has been an inordinately protracted process for the simple reason that the project has received very little in the way of funding or resources until very recently.’¹⁵⁷

3.60 The AHC has titled its endeavours the ‘Pemulwuy Redevelopment Project’. The AHC advised the Committee about the background to the title:

The title has been chosen in recognition of the famous Aboriginal warrior Pemulwuy, of the Sydney Eora tribe, who led his people in the first major response to the British invasion and colonial rule in Australia, in the 18th and 19th centuries. In the Eora language, the word Pemulwuy means ‘Earth’.¹⁵⁸

3.61 The AHC described its vision for the redevelopment as follows:

The AHC and the community have a vision to build 62 three and four bedroom homes on the Block for Aboriginal families. This new project will completely replace the current slum conditions and not only provide a positive future for the children of the Block but also set a new standard for urban Aboriginal communities around Australia.¹⁵⁹

3.62 The AHC also views the redevelopment of the Block as an opportunity to restructure the whole area to address the social problems experienced by people living on the Block:

...the rebuild option allows the opportunity to restructure the whole redevelopment area. The new design is expected to do away with the row terracing configuration in favour of a layout which eliminates lane ways and other hidden areas that encourage drug and general criminal activity. Crime prevention, community safety and health issues will also be paramount in any redesign. Thus a good urban plan is considered by the AHC as an important instrument in addressing many of the severe social problems on the Block. None of this is achievable with only a cursory renovation of the existing properties.¹⁶⁰

¹⁵⁷ Submission 42, Aboriginal Housing Company, p9

¹⁵⁸ *ibid*, Attachment: Valilis P, Pitts A, *Pemulwuy Reconstruction Project*, Aboriginal Housing Company, Sydney, 2003, p5

¹⁵⁹ Submission 42, Aboriginal Housing Company, pp9-10. The number 62 was chosen to commemorate the 62 Gadigal people that made up the original tribe that traditionally lived in and around the now Redfern area, and were killed by smallpox: www.ahc.org.au (accessed 25 June 2004)

¹⁶⁰ www.ahc.org.au (accessed 25 June 2004)

Preparation of the site for redevelopment

3.63 The AHC's relocation and demolition plan started in 1997. At the time representatives of the AHC gave evidence to the Committee, in May 2004, there were 21 houses remaining on the Block.¹⁶¹ The relocation program commenced with tenant surveys as described by the AHC:

In 1997 three surveys were conducted of our tenants, one internally and two independent, one by ATSIC and one by the NSW Government. The 53 original households were asked if they want to remain on the Block or be relocated. At the time 41 households chose to relocate and 12 elected to stay. The reasons tenants chose to leave the Block are many and varied but generally speaking many were families and their concerns revolved around safety and the fear of children becoming involved in the drug and crime trades that dominated the area.¹⁶²

3.64 The relocation program has taken several years to complete and tenants have relocated to other parts of Sydney, NSW and Queensland:

The process has been long and drawn out to ensure the relocating families were happy with the new homes and to cause as little stress as possible to them. Of the 41 households approximately half relocated with the NSW Department of Housing and the other half were relocated through the ATSIC's NAHS (National Aboriginal Health Strategy) program. Relocating tenants were asked to choose an area they wished to live in and the size and type of home they needed, to suit their lifestyles and family size. Similar to home buyers, the NAHS relocating tenants visited respective real estate agents to choose homes they liked at which time the AHC negotiated to purchase them. Tenants from the Block have relocated everywhere from Redfern, all over NSW and even as far as Townsville in Qld.¹⁶³

3.65 The demolition of most of the houses on the Block commenced prior to the redevelopment plans being finalised because of the derelict state of the houses and the drug problem in the area, as described by the AHC:

Under normal circumstances the AHC would not have undertaken the expensive process of spot demolitions if there wasn't a serious concern that the derelict houses pose a dangerous health and safety risk to the remaining community. Ordinarily derelict properties can be secured temporarily and demolished in one go when a Master Plan is complete and construction is ready to commence. However, on the Block vacant properties, whether secured or not, quickly become areas of drug use/dealing and other criminal activity by non locals using the area. These empty houses are therefore an extreme fire hazard and are usually filled with discarded used syringes. While unsecured these buildings could expose local children who play in and around them, to fatal infectious disease from syringes.¹⁶⁴

¹⁶¹ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p5

¹⁶² www.ahc.org.au (accessed 25 June 2004)

¹⁶³ *ibid*

¹⁶⁴ *ibid*

3.66 The AHC advised the Committee that it received assistance from the RWPP to relocate some tenants and demolish some of the properties, which in turn assisted in tackling the drug problem:

... the efforts of the RWPP to help tackle drugs on the Block especially shooting galleries and drug premises, has meant that the AHC is no longer doing it on its own. Over the last six years the AHC has succeeded in removing over 12 drug houses through its relocation and demolition program.¹⁶⁵

3.67 While the demolition of houses has assisted in preparing the site for redevelopment and has also impacted on the drug trade in the area, Mr Kevin Smith, a member of the local Aboriginal community, told the Committee about the negative impact of the demolition:

I guess it is the same old vicious circle—housing, education and employment. I was thinking about it last night and two words came to mind, encouragement and discouragement. The discouragement fits in when you see houses being torn down and you know that there is a need to accommodate people who are out there on the streets, and that just is not being provided. So you wonder in the destruction that you see taking place and houses literally being torn down in front of you what will be put up to replace them. Where is the encouragement for what we see for the future?¹⁶⁶

Social Plan and previous consultations

3.68 In 2001 the AHC developed a Social Plan for the Block that ‘articulated the issues and the solutions relevant to addressing the social disadvantage on the Block.’¹⁶⁷ Work was then done on various models and consultation with the community and stakeholders was undertaken, as described by the AHC:

...the IB Fell Housing Research Centre at the University of Sydney (USYD) and Angela Pitts, Aboriginal Housing Company Social Planner were commissioned to prepare a design brief for the redevelopment of the Block. The top final year USYD architecture students were asked to test the Design Brief and the Community Social Plan by interpreting the documents into a built environment form. The 14 models designed by the students formed a comprehensive design exhibit called “Dreaming of the Block”. Over a period of six months, the Aboriginal Housing Company documented and analysed community feedback from which a preferred housing option emerged.

A working model was created to test the design assumptions, directions and feedback emerging from the Dreaming of the Block consultations and to further develop design concepts for the Project. The working model was also used to further the consultation process, resulting in extensive discussions with the community, NGOs and the Government, over a period of 12 months. ...

In July 2003 the Pemulwuy Project Team presented the working model to Col Gellatly, Director General of the Premiers Department and Chief Executives from a range of NSW Government Departments. The NSW State government requested that

¹⁶⁵ Submission 42, Aboriginal Housing Company, p6

¹⁶⁶ Mr Smith, Evidence, 19 May 2004, p47

¹⁶⁷ Submission 42, Aboriginal Housing Company, p9

the Macquarie Bank produce an independent financial forecast of the Project. The findings revealed that on completion of the Project the Aboriginal Housing Company would be self sufficient for at least the next twenty years. The Aboriginal Housing Company then signed a Memorandum of Understanding with the key stakeholders in Redfern's future including the NSW Government, South Sydney Council and Sydney University.¹⁶⁸

Current concept development stage

3.69 The AHC has now entered into a new concept development stage of the Pemulwuy Redevelopment Project, with the assistance of the RWPP and the Government Architect's Office.¹⁶⁹ Merrima, the Aboriginal design unit within the Architect's Office, has been working with the AHC to develop three concept plans for the redevelopment:

The three themes which have been developed explore the relationship between private and public spaces, dwelling types, the interface between internal and external living spaces, and the relationship of the development to the local area. The concept designs include a combination of terrace and apartment dwellings that optimise the site's location in terms of street address and sustainable building principles.¹⁷⁰

3.70 Mr Colin James, Director of the Ian Buchan Fell Housing Research Centre, University of Sydney, and consultant to the AHC noted the importance of the involvement of Merrima:

... we were very pleased to hand the job over to an Aboriginal architect, an architect from the Merrima design unit. It is important that this is seen to be driven by an Aboriginal architect who understands cultural issues.¹⁷¹

3.71 The NSW Government elaborated on the current status of the redevelopment plans:

The Government Architect's Office is currently testing and refining the concept plans, in consultation with the AHC, prior to their being taken to the community for consultation. At this stage it is not clear if these will be the final designs taken to the community for consultation. These design options will be presented in the three dimensional format to facilitate a visual understanding of the redevelopment proposals, as requested by the Aboriginal community. It is expected that the plans will be completed in the next few months. Given the significance and complexity of the project to redevelop the Block, it is expected that the AHC will work closely with Government and the City of Sydney Council to develop a workable plan. Clearly all existing planning process and instruments must be met by the AHC. On this basis, there will be significant opportunities for community input into the plan being developed by the AHC.¹⁷²

¹⁶⁸ Aboriginal Housing Company, *History of the Pemulwuy Project, 2000-2004*, pp5-6: Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 15 July 2004

¹⁶⁹ Submission 42, Aboriginal Housing Company, p9

¹⁷⁰ Answers to additional questions taken on notice during evidence, 18 May 2004, Mr Michael Ramsay, Redfern Waterloo Partnership Project, p21

¹⁷¹ Mr James, AHC, Evidence, 19 May 2004, p15

¹⁷² Answers to additional QON taken during evidence, 18 May 2004, Mr Ramsey, RWPP, p21

- 3.72** The Committee understands that the RWPP anticipates the concept plans will be completed by early August. Following the consultation process (see paragraphs 3.80-3.83 for further discussion) the AHC will nominate a preferred redevelopment plan to be used for exploring financing options.¹⁷³ The Committee understands that at that stage the AHC will also embark on gaining approval for the plans from the City of Sydney Council.

Type of housing that is appropriate

- 3.73** The AHC advised that it plans to develop housing that is appropriate for Aboriginal families and has therefore incorporated in its design proposals three and four bedroom homes that include large outdoor areas. Mr James outlined the redevelopment plan to the Committee in evidence:

It will be 62 by an average of 3.5. That would be the ultimate outcome. The three and four bedrooms are intended to keep families intact. The apartments and townhouses will all have full 100 per cent disability access to keep the Elders in the home. That is a distinct change from non-indigenous families where the elderly often get outcast into nursing homes. But here, they are a very central element in keeping the health of the family intact and in looking after young kids, so disability access is really important. Within the 62 families will be a mix of middle income, low, middle and low, so we are following the prescription that a social mix is desirable so that the rich will help the poor. The model has had 10 years experience in Ultimo/Pymont with City West. We have worked very closely with them. The rents will be geared to 30 per cent of the household income, so we are addressing affordability.¹⁷⁴

- 3.74** As well as ensuring that the housing is appropriate for Aboriginal families, other practical design issues were raised in submissions and in evidence. For example, the Director-General of the Department of Aboriginal Affairs, Ms Jody Broun, emphasised the need to consider maintenance issues in the design:

...I think what needs to be considered in any design option is sustainability of that design, and how much maintenance a design might entail over the longer term. Obviously, the way you build houses can impact on later maintenance costs. You can build the houses very well in the first instance and have limited maintenance, or you can build them with high and long-term maintenance costs. If you are talking about sustainability of housing, and housing management, it is better to do the upfront thing properly.¹⁷⁵

- 3.75** The AHC's Social Plan identifies the importance of incorporating crime prevention strategies in its redevelopment plans through the principles of Crime Prevention Through Environmental Design (CPTED):

CPTED is a method of assessing the relationship between crime prevention and physical design, and the management and planning of facilities and urban areas. It is now widely established that there is a linkage between the physical environment and

¹⁷³ *ibid*

¹⁷⁴ Mr Colin James, Lecturer in Facilities Management, University of Sydney and Honorary Adviser to the Aboriginal Housing Company, Evidence, 19 May 2004, p14

¹⁷⁵ Ms Jody Broun, Director-General, NSW Department of Aboriginal Affairs, Evidence, 26 May 2004, p31

its management in reducing the opportunities for inappropriate and criminal behaviour. CPTED focuses on issues such as ensuring areas are safe from entrapment by creating safe movement corridors; appropriate lighting and landscaping to reduce crime; and discouraging lanes and alleyways. There is an obvious need to apply these principles to this area through the new redevelopment. By adopting the CPTED principles to AHC's redevelopment project will provide a new opportunity for secure and safe housing, and allow management to contest crime with police in a coordinated manner.¹⁷⁶

- 3.76** Ms Clover Moore MP, Member for Bligh, also emphasised that 'the redevelopment needs to be designed to ensure that drug dealing and crime are prevented rather than helped by the physical design'.¹⁷⁷ Because of the prevalence of crime on and around the Block, the Committee agrees that crime prevention strategies be incorporated into the design. The Committee is also of the view that there should be input from police in this regard.

Need for hostel accommodation

- 3.77** Several submission authors and people who gave evidence during the Committee's hearings identified the need for a hostel on or near the block to cater for the large transient populations of people who come to visit friends and relatives in the area. For example, Mr Taylor, CEO, Aboriginal Housing Office, expressed the view that an effectively operated hostel would be of great value to the community:

...There were also comments about a hostel. If effectively operated services—and I emphasise "effectively"—such as those suggested were provided on the ground they would be of great value to the community. I have no doubt about that. The question about the hostel probably needs to be directed to Aboriginal Hostels Ltd, which is the Federal agency that has specific responsibility for establishing and managing hostels. In the context of the issues you are talking about, we know that those services are required. We do not need much more research to tell us that. The answer is that they would be extremely valuable.¹⁷⁸

- 3.78** In her submission to the Inquiry, Ms Ingram also identified the need for a hostel stating: 'I have been told they will build apartments in The Block. Perhaps we need a small hostel/apartment block for those from out of town who need a temporary place to stay...'¹⁷⁹ Mr Pooley also agreed that hostel type accommodation was needed to accommodate the large transitory population:

... it plainly needs some hostel-type accommodation. It simply needs that because it has a huge transitory population. Whatever anybody suggests, Aboriginal people will continue to come to the Block, in my view, and therefore some decent accommodation and some temporary accommodation are two minimum requirements... There is a core population of the Aboriginal community that is going

¹⁷⁶ Submission 42, Aboriginal Housing Company, Attachment: Valilis P, Pitts A, *Pemulwuy Reconstruction Project*, Aboriginal Housing Company, Sydney, 2003, p59

¹⁷⁷ Submission 35, Ms Clover Moore MP, Member for Bligh, p7

¹⁷⁸ Mr Taylor, Aboriginal Housing Office, Evidence, 8 June 2004, p33

¹⁷⁹ Submission 23, Ms Ingram, p2

to remain on the Block and they should be provided with decent accommodation and they have no less right to expect that, but there also needs to be a mechanism which can accommodate the significant transitory population that arrives at the Block on a daily basis. I do not think you have any alternative.¹⁸⁰

3.79 The Committee was advised by the AHC that the redevelopment plans include a hostel, although not on the Block itself:

Part of the plans include an office building for the housing company and a hostel for visitors and students. There are 300 Aboriginal students at the University of Sydney and the numbers are growing. People are now enrolling in things like nursing, health studies, law, education, and that must be nurtured. Also there are the people who visit Redfern—there are 32 agencies that supply Aboriginal services.¹⁸¹

Community consultation and communication

3.80 Several inquiry participants emphasised the need of extensive community consultation on the housing plans. For example, Ms Jody Broun, Director-General of the Department of Aboriginal Affairs, emphasised that the type of housing had to be determined in consultation with the community:

[i]t has to be developed in consultation with the people who are going to be in those houses. What is the best model of housing? How do you cater for a family? How do you cater for visitors? Those sorts of things. I previously worked for eight years in Aboriginal Housing and had to deal with all those sorts of issues as well, housing design and so on. I think there are ways of coping with it, but it has to be done in consultation with the community as to what is the best design to meet the needs.¹⁸²

3.81 The AHC has foreshadowed the next round of consultation on the design plans for the 'latter half of 2004':

The Aboriginal Housing Company has scheduled the next round of consultations with a design exhibit for the latter-half of 2004. The program will begin with a launch at the Redfern Community Centre, and the Aboriginal Housing Company will endeavour to seek advice from the local Aboriginal and multicultural communities, about the new design. The Pemulwuy Project Team will also brief the Social Issues Parliamentary Committee, Governments, Private Sector Partners, Local Aboriginal NGOs, and professional organisations. Throughout this process the Aboriginal Housing Company will encourage all stakeholders and interested parties to openly discuss and critique the new design.¹⁸³

3.82 The NSW Government has indicated that it will support the AHC to undertake consultations:

¹⁸⁰ Mr Pooley, City of Sydney Council, Evidence 25 May 2004, p61

¹⁸¹ Mr James, Aboriginal Housing Company, 19 May 2004, p15

¹⁸² Ms Broun, Department of Aboriginal Affairs, Evidence, 26 May 2004 p33

¹⁸³ Aboriginal Housing Company, *History of the Pemulwuy Project, 2000-2004*, p7: Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 15 July 2004

Whilst responsibility for conducting community consultation lies with the AHC, the Government believes that the consultations should be undertaken with the general Redfern community and with the broader Aboriginal community. The Government will support the AHC to undertake such consultation on the proposed design options...¹⁸⁴

- 3.83** In the Committee's view, the uncertainty surrounding the redevelopment of the Block has disheartened some members of the local community. Consultation with the Community about the redevelopment plans as well as general communication about the progress of the Inquiry will be beneficial. The Department of Aboriginal Affairs also noted, in relation to Aboriginal people opposed to the redevelopment of the Block, that '[t]heir fears need to be allayed through a transparent and open process of consultation and development'.¹⁸⁵

Employment of Aboriginal people in the redevelopment

- 3.84** Several witnesses and submission makers emphasised the importance of ensuring that Aboriginal people are involved in the construction of new housing on the Block. For example, Mr Shane Phillips, a member of the local Aboriginal community, indicated that the involvement of local people in rebuilding the Block would be a source of community pride:

... it would be great to see a lot of the people who are going to be tenants possibly working to rebuild those homes so that there is a sense of ownership of them. That is really important to people. You show a lot of pride in your community if you are involved in the bricks and mortar.¹⁸⁶

- 3.85** Mr Neil Hills, in his submission to the Committee, proposed that the redevelopment include '...the local community members employed by the building contractor. To give them additional work skills, and assist them in obtaining long term employment'.¹⁸⁷ Mr Smith described the benefits of having Aboriginal people being employed locally in evidence before the Committee:

I know in working on the street here and participating when we are cleaning up the housing company and we are planning and bricking up, the kids will come along and say, "Can I give you a hand, Uncle Kev? Can I help, too?" They take an interest in what they want and what you are doing, and they will sit with you and stay with you for about two or three hours and they want to work. The encouragement is like Tom Sawyer whitewashing the fence. They come along and they see you doing it and they see that you are happy in what you are doing and they say, "Can I have a go, too?" That is the sort of encouragement that needs to be done. If you propagate a seed you plant a seed.¹⁸⁸

¹⁸⁴ Answers to additional QON, 18 May 2004, Mr Ramsey, RWPP, p21

¹⁸⁵ Answers to QON taken during evidence 18 May 2004, Dr Col Gellatly, Director General, Premier's Department, Qu 2, Department of Aboriginal Affairs submission, p4

¹⁸⁶ Mr Phillips, Evidence, 19 May 2004, p51

¹⁸⁷ Submission 31, Mr Neil Hills, p5

¹⁸⁸ Mr Smith, Evidence, 19 May 2004, p47

- 3.86** The general need for increased employment for Aboriginal people in the Redfern/Waterloo area was described by the Redfern Aboriginal Corporation (RAC), which operates a Community Development Employment Program (CDEP) for Aboriginal people:

Employment is critical for Aboriginal and Torres Strait Islander people in the Redfern and Waterloo district. Even though there are a number of positive initiatives and discussions taking place (between local businesses and RAC) there are still barriers to placing our clients in full time employment. These barriers to full time employment are complex and interwoven with other socio-economic factors facing Indigenous communities. It is important to note that the vast majority of RAC's clients are within a low socio-economic bracket.¹⁸⁹

- 3.87** The RAC also advised the Committee that there is a lack of genuine, effective and long-term commitment by governmental agencies and government funded institutions to provide opportunities to its clients to be trained:

RAC has had a number of negative experiences with agencies and organizations in terms of their changing attitude to existing arrangements. Long term, genuine commitment in terms of a partnership are important in order for RAC clients to gain the necessary skills and training to be able to enter the workforce.¹⁹⁰

- 3.88** Mr Moore from NCOSS also spoke about the limited opportunities for indigenous employment in Redfern/Waterloo

I think there has been for a long time and there remains significant sort of opportunities in terms of infrastructure development and indigenous employment within Redfern/Waterloo and also to other disadvantaged groups in the labour market. There are some, as I am aware of, some interesting but small examples of some good apprenticeship and traineeship arrangements but there needs to be much more than we have got and if we are going to have a significant urban renewal program, if that is where we can head, those opportunities will grow a lot further...

I would also want to say that in the same way once again as the Premier and others have talked about business looking at investment in these areas, the opportunity would be to look at I guess the employment growth strategies and training support strategies around the investment and that would be my view, part of any private partnership, about The Block redevelopment and also other commercial attractions in the area.¹⁹¹

- 3.89** Ms Plibersek identified local Community Development and Employment Projects (like the RAC) as a possible mechanism to involve the local community in the construction:

I think it is very important when the building starts that as many local people are employed as possible. There is a CDEP just up the road that has apprentices who have done building for the Department of Housing before and also private building. They are in a very good position to provide apprentices for building on The Block, provide landscaping services and a whole range of other services. But you get the

¹⁸⁹ Submission 60, Redfern Aboriginal Corporation, p5

¹⁹⁰ *ibid*, p 6

¹⁹¹ Mr Moore, NCOSS, Evidence, 18 May 2004, p34

point that I am making that there is high unemployment locally and it would be really good if, as part of whatever ends up being spent on this, some of that money stays local, stays in local people's pockets, and they get some transferable skills afterwards that take them into the broader work force.¹⁹²

3.90 The CDEP scheme is funded and administered by ATSIC. Under the scheme unemployed persons give up their Centrelink entitlements and work on a community project, involving such things as building, road maintenance and horticulture. The overall purpose of the scheme is to 'enable Aboriginal and Torres Strait Islander communities and organisations to take control of their own community, enhance economic and social development and to provide employment for people in their own communities'.¹⁹³

3.91 The AHC has advised the committee about the employment opportunities for Aboriginal people in the long and short term:

Employment programs, for local Aboriginal youth in particular, will feature prominently throughout the construction period of the Project. Some of the long-term employment opportunities will include: gardening, care-taking, security work, and public arts and crafts. Many of the preliminary designs for RED Square have included market stalls and local retail areas that are ideal for community enterprise.¹⁹⁴

3.92 The Committee agrees that the involvement of members of the local Aboriginal community in the construction of the Pemulwuy Redevelopment Project would be beneficial, both in providing employment for local people and in creating a sense of ownership of the project. The Committee is aware that at least one Aboriginal employment organisation envisages tendering for the construction contract. In order to ensure a certain level of participation by Aboriginal people, guidelines would have to be placed in construction contracts requiring Aboriginal participation. The Committee intends to further examine employment issues faced by the Aboriginal community in the second stage of its Inquiry.

Allocation of housing to tenants

3.93 The AHC is bound by its Memorandum of Association which provides that it can only rent its properties to its members and their dependents, and 'only persons of Aboriginal or Island descent shall be elected as members of the Company'.¹⁹⁵

3.94 The Committee heard from a number of inquiry participants who urged that a strong 'social mix' of people should be allocated tenancies in the redevelopment. For example, the AHC stated that it '...plans to encourage a stronger social mix by providing housing for Aboriginal people of varied socio-economic capacity. For example, places will be made

¹⁹² Ms Plibersek MP, Evidence, 4 June 2004, p17

¹⁹³ Quoted in Drabsch T, *Indigenous Issues in NSW*, Background Paper No 2/04, NSW Parliamentary Library Research Service, 2004, p20

¹⁹⁴ Aboriginal Housing Company, *History of the Pemulwuy Project, 2000-2004*, p5: Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 15 July 2004

¹⁹⁵ Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 29 June 2004

available for the unemployed, workers and middle to high income families.¹⁹⁶ The AHC indicated that housing will be proved to ‘...Aboriginal residents who have an existing relationship with Redfern through work or family.’¹⁹⁷

3.95 Ms Cheryl Minks, a resident of Redfern and a course co-ordinator in peace and conflict studies at the University of Sydney, stated:

As with other communities, the concentration of subsidised housing residents into a single edifice creates many (if not most) of the problems extant in Redfern today. A critical mass of dysfunction exists in this area. Consequently, the community currently fulfils the role of co-dependent inducing and enabling anti-social and self-destructive behaviours. Housing policy needs to develop strategies that reconfigure this social mix – reduplicating conditions on “The Block” will reproduce the existing problems. Housing policy needs to be reconceptualized and moved towards the now internationally accepted practice of accommodating government subsidised residents within, rather than separate from, the local community. This is essential in this situation if we are to maintain an indigenous presence in the area without risking the re-emergence of the existing structures and dysfunctions.¹⁹⁸

3.96 Ms Tanya Plibersek MP also emphasised the need for a mix of people to be allocated tenancies, with preference given to people who have an historical connection to the Block, particularly those who moved from the Block as part of the relocation:

In terms of financial models or who the housing goes to, there are a number of complicated issues. Firstly, there are people who have a historical connection to the area, and they should be given a preference. There are people who have moved out of houses in the area on the understanding that they would be coming back to the area. Of course, they should be given a preference. But as far as the socio-economic mix, I would like to see Aboriginal people, but I would like to see a slightly broader socio-economic mix than you would generally find in public housing. If you look at a model like City West, which is in Pyrmont and Ultimo, people are paying a proportion of their income. People on social security benefits pay a very low dollar amount. People who are in the work force at around the average wage or slightly above, if they have got a family--the threshold increases depending on the number of children you have--pay closer to market rent. It just means that you have a broader social mix. I think that is better for everyone.¹⁹⁹

3.97 The Committee agrees that a social mix of tenants is desirable in the redevelopment of the Block. The Committee is also of the view that the allocation of housing to tenants must be a fair and transparent process. The Committee is concerned about allegations noted above that the AHC has taken a nepotistic approach to the allocation of housing in the past.

¹⁹⁶ www.ahc.org.au (accessed 25 June 2004)

¹⁹⁷ Aboriginal Housing Company, *History of the Pemulwuy Project, 2000-2004*, p5: Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 15 July 2004

¹⁹⁸ Submission 37, Ms Cheryl Minks, p4

¹⁹⁹ Ms Plibersek MP, Evidence, 4 June 2004, p17

Ongoing maintenance and tenancy management issues

- 3.98** Evidence and opinions presented to the Committee indicate that there is some concern about the ability of the AHC to manage the future tenants in the redevelopment. Mr Russell Taylor, CEO of the AHO, spoke about the need to support tenants by providing them with skills to take care of properties:

...no agency can simply assume that the provision of a house and the introduction of a family to that house means that everything is going to go smoothly. There needs to be some provision for budgeting, for familiarity with appliances, et cetera, and all those living skills that go with successfully and safely occupying a house. We at the Aboriginal Housing Office recognise that we need to do more work on that and we have also discussed those issues with the Department of Housing. I think that whilst we have addressed it indirectly—and in some of the other questions I would mention that we have developed some accredited training for the sector that goes to many of those issues—we recognise that we need to do more to provide tenant training and awareness of their responsibilities in terms of their occupancy of housing stock managed by the AHO itself or by community providers.²⁰⁰

- 3.99** Mr Valilis expressed the view that tenants who were provided with excellent living conditions would take care of them:

Really, it was all about their living conditions that we were providing. If we provided poor living conditions, we had a poor response from tenants. If we provided good living conditions, we had a good response from tenants. This is why for the last four years we have been pushing governments because we cannot do it. We have not got the resources to do these things. We have literally begged government to help upgrade our properties, whether it be redevelopment of the Block or the properties outside. Once that happens, we will see that the Aboriginal Housing Company tenants will be model tenants; not all of them, and the ones who are not we will get rid of, but most of them will be model tenants.²⁰¹

- 3.100** Because of the history of drugs on the Block, the Committee is of the view that it will be crucial for the AHC to maintain a strict policy against drug users and dealers. In this regard, Ms Joyce Ingram stated:

The Block of the future must be free of all dealers including those now residing and trading there who will not give such activities up. Concerned Elders, residents and ex-residents of the Block want the Housing Company and the police to show no tolerance for hard drug dealers living and operating on the Block.²⁰²

- 3.101** Mr Valilis advised the Committee that the AHC is optimistic that the current problems with drug use will not simply reoccur in the redevelopment, and elaborated on the reasons as follows:

The people that we know are selling drugs on the Block have been told quite categorically that they will not be offered a house. ... On top of that, we are putting together very strict by-laws. We have good legal advice on drug clauses that we can

²⁰⁰ Mr Taylor, Aboriginal Housing Office, Evidence, 8 June 2004, p28

²⁰¹ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p5

²⁰² Submission 23, Ms Ingram, p2

add into our leases. Richard is helping to develop protocols for the area. We will have caretakers in the development. He can probably give you more information about our lead architect Dillon Kombumerri. He has been sent to London to look at the best medium-density housing projects there and how caretakers help monitor and help police the community. We are also proposing community policing, where the actual tenants police the area themselves and work with the police on any issues that are out of their control. So there are a lot of programs that we are putting in place to make sure that this never happens again.²⁰³

State Government involvement in the redevelopment

3.102 In evidence to the Committee, Dr Col Gellatly, the Director General of the Premier's Department, described the redevelopment of the Block as one of the Government's main priorities in the area.²⁰⁴

3.103 The Government has advised that it has established a 'high-level cross agency working group to oversight its involvement in the proposed redevelopment'.²⁰⁵ Agencies involved in the working group include the Premier's Department, the Government Architect, Treasury, the Department of Aboriginal Affairs, Landcom and the Aboriginal Housing Office. The NSW Government has also invited the Commonwealth Government to become involved.²⁰⁶ The Committee understands that to date the Commonwealth Government has not responded formally to the invitation.

3.104 In the past two years, the Government's involvement in the redevelopment has been facilitated through the RWPP. The Committee was informed that through the RWPP, the Government has provided a range of what it describes as 'in-kind' assistance to the AHC. The in-kind assistance provided includes:

- ongoing assistance to the AHC to improve its governance and management planning and reporting, as well as management of tenancies and properties.²⁰⁷ The Government has commissioned an audit of the AHC (paragraphs 3.37) and a valuation of the Block and other properties owned by the AHC (paragraph 3.39).
- the Government Architect's Office has been working with the RWPP and the AHC to develop concept plans for the redevelopment (paragraph 3.69).
- The RWPP has provided the AHC with assistance to relocate some tenants, eradicate shooting galleries and demolish some properties (paragraph 3.66).
- the AHC is also involved in the RWPP's RED Strategy, which is described in Chapter 2. As one of the major landowners in the RED area, the AHC has entered into a Memorandum of Understanding with the NSW Government, the South Sydney Council and the University of Sydney. The purpose of the MOU is to provide a

²⁰³ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p12

²⁰⁴ Dr Gellatly, Premier's Department, Evidence, 18 May 2004, p5

²⁰⁵ Answers to additional QON, 18 May 2004, Mr Michael Ramsay, RWPP, p19

²⁰⁶ *ibid*

²⁰⁷ *ibid*

framework through which these agencies can work together to try to progress infrastructure renewal and development in Redfern and Waterloo.²⁰⁸

3.105 This assistance has undoubtedly contributed to the capacity of the AHC to progress the Pemulwuy Redevelopment Project. Indeed, Mr Mundine has attributed the recent progress of the redevelopment to the AHC's new working relationship with the RWPP:

I think the reason why we have reached this level at the present moment with our planning is that we worked in with Michael Ramsey at the Government level and his party. I think that is the reason why we got to this level—because we worked straight and directly with Government bodies. ... I praise the Redfern/Waterloo partnership because I believe they came to us in the beginning, that is Michael, and asked what is the problem in the community.²⁰⁹

3.106 The Committee acknowledges the assistance provided to the AHC by the Government through the RWPP. It is clear that the initiatives of the RWPP have provided much needed assistance to the AHC and have aided the progress of its redevelopment plans.

Funding for the redevelopment

3.107 The AHC has advised the Committee that the Pemulwuy Redevelopment Project is expected to cost approximately \$27 million.²¹⁰ Mr James described the redevelopment as economically feasible, particularly compared to mainstream housing:

Those three models, and the latest analysis from Merrima investigated a comparison between what it cost to do the Block and what commercial ruling rates were and the Block comes up as half the cost of normal housing in the market for a number of reasons. One is we are housing more people per unit than mainstream. Mainstream housing is one and two bedrooms. We are not providing any parking because we do not want to provide parking so close to the station, there is no demand and the council wants us to go that way. We are conforming to social housing standards and it looks good - economically feasible.²¹¹

3.108 The AHC stated in its submission that '[a]s usual the only delays expected in progressing this project [are] continuing delays in receiving government commitment to the project'.²¹² Mr Valilis informed the Committee during evidence that no level of Government has made a commitment to providing any funding for the redevelopment. He also stated '...we are not surprised. For a long time the Block has been considered too hard and could not be fixed'.²¹³ Mr Valilis argued however that despite this history, recent changes have paved the way for government funding:

²⁰⁸ Submission 55, NSW Government, p183

²⁰⁹ Mr Mundine, Aboriginal Housing Company, Evidence, 19 May 2004, p24

²¹⁰ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p17

²¹¹ Mr James, Aboriginal Housing Company, Evidence, 19 May 2004, p17

²¹² Submission 42, Aboriginal Housing Company, p10

²¹³ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p17

The fact that we have written a social plan has given people new hope that the Block can be fixed. There are 30 years of demonisation of the Block that we have had to overcome. We have had to depoliticise the process and build partnerships and do all those things all on our own and now all tiers of government have come to the party and are starting to negotiate. I think it was last year we signed a MOU with the local council, with the State Government and with the University of Sydney, and that was historic.²¹⁴

- 3.109** The AHC has indicated that while the provision of in-kind assistance by the Government works well during the planning stage, funding will be required to enable the AHC to put out a conventional construction tender to the private sector:

The Aboriginal Housing Company has been pursuing several potential sources of funding, including government and private sector partners. Discussions with the State Government have indicated that proportions of the project could be facilitated through pro-bono work by various Government departments, rather than monetary funding. This approach seems to work best during the planning stages and the early pre-construction phase. However, funding will be required if the Aboriginal Housing Company puts out a conventional construction tender to the private sector.²¹⁵

- 3.110** The Committee was advised that the AHC is seeking a combination of government and private funding:

We will be exploring all modes of funding, that is, government and private. We hope that there will be a mix of partnerships but we are discussing with private industry—the big end of town—to see if they will donate equipment, materials, money and time. In fact, much of this project has been funded by pro bono work that people such as David Liefer and Col James have done.²¹⁶

- 3.111** The AHC has proposed the establishment of a development control group to oversee construction and the distribution of funds:

Ultimately the Aboriginal Housing Company is proposing to establish a development control group that will include State and Federal Government representatives, the Pemulwuy Project Team and an independent chairperson. The group will be charged with overseeing the construction of the housing component of the project with particular emphasis on the distribution of funds.²¹⁷

- 3.112** Several other inquiry participants also called for Government funding for the redevelopment project. For example, Mr Moore, the CEO of NCOSS, suggested that some form of public funding was necessary:

I do think that there is a component of this plan about redevelopment of The Block which is going to require public and private finance. NCOSS does not agree with the

²¹⁴ *ibid*

²¹⁵ Aboriginal Housing Company, *History of the Pemulwuy Project, 2000-2004*, p7: Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 15 July 2004

²¹⁶ Mr Valilis, Aboriginal Housing Company, Evidence, 19 May 2004, p17

²¹⁷ Aboriginal Housing Company, *History of the Pemulwuy Project, 2000-2004*, p7: Email from Mr Peter Valilis, Project Manager, Aboriginal Housing Company, to Senior Project Officer, 15 July 2004

Government when it says it is not going to contribute funds to the redevelopment of The Block.²¹⁸

- 3.113** The Government has indicated to the Committee that it is awaiting the outcome of the audit of the financial status of the AHC (paragraph 3.37) before it determines how to assist the AHC further:

The audit is not yet complete. The valuation of the Block forms part of the audit, and once complete, will be incorporated into the final report. Government is not making any prejudgements about the best methods for assisting the AHC until after it considers the report of IAB Services and presents the report to the AHC Board for its consideration. Government is committed to continuing to work with the AHC to strengthen its capacity.²¹⁹

- 3.114** Although most people who expressed a view on the issue of funding focused on the need for State Government funding it has been suggested that Local and Federal Government assistance is also required. For example, Mr Pooley argued that all three tiers of government should make a contribution and he identified handing over certain laneways and waiving rates as examples of the assistance that local government could provide:

Well, in an ideal world I think all three tiers of government should make a contribution. I will just be quick about local government because it is the one I am most familiar with. In any redevelopment of the Block, I think there will be a requirement for us to hand over a couple of lanes and I think we should do that. There are some outstanding rates and, for instance, that kind of local government levy should be waived. Because it was granted by the Federal Government, I think it needs to be a combined approach between the other two tiers of government in terms of the development of the Block. I am not trying to get into the whole State's rights debate - do not misunderstand me - but there has been long-term Federal Government involvement in that housing project and that should remain. As well, the State Government certainly has a significant responsibility.²²⁰

- 3.115** Ms Plibersek also emphasised the need for the Federal Government to contribute funds to the redevelopment on the basis of its responsibilities for Aboriginal affairs:

The deficiency in housing in the area is symptomatic of a more general decline in public housing resulting from the declining real funding of public housing under the Commonwealth State Housing Agreement (CSHA) over the past 10 years. Given the Commonwealth's long established responsibilities for Aboriginal affairs and its rhetoric concerning "practical reconciliation", the Aboriginal Housing Corporation should be provided with financial assistance from the Commonwealth to redevelop "The Block". So far the Commonwealth has been uninterested in this project.²²¹

- 3.116** The RWPP has advised the Committee that it has sought the involvement of the Federal Government in the redevelopment of the Block:

²¹⁸ Mr Moore, NCOSS, Evidence, 19 May 2004, p32

²¹⁹ Answers to additional QON, 18 May 2004, Mr Ramsay, RWPP, p18

²²⁰ Mr Pooley, City of Sydney Council, Evidence, 25 May 2004, p61

²²¹ Submission 49, Ms Plibersek MP, p9

We have asked the Commonwealth to participate in the process of redeveloping The Block and to work with the Aboriginal Housing Company and ourselves to redevelop it because the reality is that one of the key elements of the proposal, if we hope to develop Redfern and Waterloo, is to actually develop quality affordable housing for Aboriginal people on The Block.²²²

- 3.117** Some inquiry participants were cautious in their approach to the issue of funding due to the management inadequacies of the AHC. For example, Mr Moore stated that a condition of public funding would have to include agreements about financial management processes, accountability and the selection of tenants:

...it is our view from all of the discussions we have had with a range of indigenous groups and non-indigenous groups that the Aboriginal Housing Company in Redfern currently does not have a capacity to deliver on the redevelopment of The Block, so a condition of public funding and any private funding is going to have to be some agreements about long-term affordable housing for Aboriginal families, transparent and fair tenant selection and management processes and a much more accountable way of doing things because it has been put to us by numerous people for quite a long period of time that part of the problem, part of the really tragic circumstances at The Block at the moment, has been the incapacity over now a number of years to deal with a sensitive, appropriate redevelopment approach within the indigenous community.²²³

Conclusion

- 3.118** The Committee is of the view that the redevelopment of the Block is an important and iconic project for Aboriginal people in NSW and Australia. The Committee believes that it is of the utmost importance that the redevelopment be completed and that the Block remain under the ownership and control of Aboriginal people.
- 3.119** The Committee acknowledges the assistance provided to the AHC by the Government through the RWPP. It is clear from the views expressed by Mr Mundine that the initiatives of the RWPP have provided much needed assistance to the AHC and aided the progress of its redevelopment plans. The Committee is of the view that the continuation of this assistance is crucial to the future of the redevelopment.
- 3.120** The Committee is concerned, however, that the work the RWPP is undertaking with the AHC to improve its governance and management planning and reporting does not yet seem to have produced significant results. Evidence presented to the Committee indicates that there is still serious concern about the ability of the AHC to manage the redevelopment. The Government's submission noted that the audit of the financial affairs of the AHC was to be completed by mid-May and the valuation of the AHC properties was to be completed by mid-June. As the Government has indicated that it is relying on the outcome of the audit in particular before it determines how to assist the AHC further, the fact that these reports are long overdue is a matter of great concern. The Committee believes that the NSW Government must expedite the completion of the audit and the valuation.

²²² Mr Ramsey, RWPP, Evidence, 18 May 2004 p20

²²³ Mr Moore, NCOSS, Evidence, 19 May 2004, p32

- 3.121** The Committee notes the comments of the AHC that while the provision of in-kind assistance is appropriate during the planning stages, funding will eventually be required to enable it to put out a conventional construction tender. It is clear that the AHC will have great difficulty progressing the Pemulwuy Redevelopment Project without a government commitment of funds and assistance to managing the project.
- 3.122** The Committee supports the AHC in seeking both private and public funding for the redevelopment. The Committee has some concerns, however, that if the AHC relies substantially on private funding this may potentially infringe on the ownership and control of the Block by Aboriginal people. Private funding may also be devoid of the in-kind management support that the RWPP is currently providing and that the AHC so sorely needs.
- 3.123** The AHC, with the assistance of the RWPP, is currently refining the concept plans for the redevelopment before undertaking consultations to determine the most appropriate plan and then seeking development approval of the chosen plan. While this process is likely to take several months the Committee is of the view that a commitment by the NSW Government to funding at this stage is crucial to the progress of the redevelopment. It will also have an immediate beneficial impact on the local community by signalling a positive way forward.
- 3.124** The Committee believes that the Federal Government should also contribute funds to the redevelopment of the Block. We share the view that the Federal Government's long-term involvement in the Block, stemming from the grant of the land to the AHC, and its constitutional responsibility for Aboriginal affairs, places an obligation on it to assist the AHC in its role to provide housing to Aboriginal people. The Committee is therefore of the view that the NSW Government should, as a matter of priority, seek the agreement of the Federal Government to join with it in providing funding assistance to the AHC to redevelop the Block. The Committee will also be seeking the involvement of the Federal Government in the second stage of its Inquiry.
- 3.125** The Committee also encourages local government involvement in the redevelopment. There will no doubt be a range of ways in which the City of Sydney Council can assist the redevelopment plans, including handing over certain laneways to the AHC and waiving rates. The Committee recommends that the City of Sydney Council join the NSW Government in making a commitment to the redevelopment of the Block.
- 3.126** The Committee is mindful of the significant management and related financial difficulties faced by the AHC. The Committee is of the view that while a government commitment to provide funding for the redevelopment is of the utmost importance, it can only be made with the agreement of the AHC to strict obligations in terms of its current and ongoing management of itself and the redevelopment project.
- 3.127** The Committee notes that the AHC has proposed establishing a development control group to oversee construction of the redevelopment and the distribution of funds. The AHC envisages this control group to include the Pemulwuy Redevelopment Project team, State and Federal Government representatives and an independent chairperson. The Committee agrees that a representative control group should be established and also encourages the inclusion of a local government representative.

- 3.128** Some Committee members believe that a funding commitment is premature until the issues in relation to the AHC's capacity are resolved and that a Federal or local government contribution should not be sought until the resolution of these matters.
- 3.129** The Committee strongly believes that the redevelopment plans must include extensive consultation with the local community. The Committee also believes that it is important for the AHC to provide the community with regular updates about the progress of the redevelopment. A great deal of uncertainty about the redevelopment project and scepticism about its fruition has been expressed during the Inquiry. The Committee is of the view that this is having a negative impact on the local Aboriginal community. The Committee feels that it is important to keep the community well informed of the progress of the redevelopment, for example through notices put up on community notice boards and the internet.

Recommendation 5

That the NSW Government, through the Redfern/Waterloo Partnership Project, continue its constructive working relationship with the Aboriginal Housing Company and the provision of in-kind assistance to the Company, with the aim of ensuring that the Company is able to redevelop and manage the Block.

Recommendation 6

That the NSW Government expedite the completion of the audit of the financial affairs of the Aboriginal Housing Company and the valuation of its properties.

Recommendation 7

That the three tiers of government make a firm commitment to the redevelopment of the Block by the Aboriginal Housing Company, subject to the requirements set out in Recommendation 8, and in particular that:

- the NSW Government make a substantial funding contribution to enable the completion of the Pemulwuy Redevelopment Project, and that it facilitate access by the Aboriginal Housing Company to other funding sources
 - the Federal Government be approached by the NSW Government to make a substantial funding contribution to the Pemulwuy Redevelopment Project
 - the City of Sydney Council make a substantial contribution to the Pemulwuy Redevelopment Project, which might take the form of in-kind assistance, such as handing over freehold title to laneways or waiving rates for a period of time.
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Recommendation 8

That the commitment of funds to the Aboriginal Housing Company for the Pemulwuy Redevelopment Project identified in Recommendation 7 should be made dependent upon strict requirements relating to:

- creation of a representative development structure to manage and oversee the Pemulwuy Redevelopment Project
 - continued involvement by the NSW Government in improving the governance structure and management practices of the Aboriginal Housing Company and ensuring its sustainability
 - the incorporation of Crime Prevention Through Environmental Design principles in the design of the redevelopment
 - extensive consultation with the local community
 - The transparent and equitable allocation of housing to tenants
 - Establishment of an ongoing program for maintenance of the new housing stock
 - The employment, where possible, of Aboriginal people in the Pemulwuy Redevelopment Project
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Recommendation 9

That the Redfern/Waterloo Partnership Project provide assistance to the Aboriginal Housing Company to keep the local Aboriginal community, as well as the wider community in Redfern and Waterloo, regularly and comprehensively informed as to the progress of the redevelopment of the Block.
