

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

PUBLIC ACCOUNTS COMMITTEE

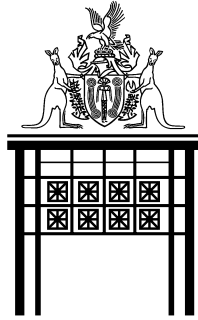
**INQUIRY INTO THE ROLES OF VARIOUS FUNDING
BODIES IN THE DEVELOPMENT AND MAINTENANCE OF
ROADS, AIRSTRIPS AND BARGE LANDINGS ON
ABORIGINAL COMMUNITIES AND OUTSTATIONS IN THE
NORTHERN TERRITORY**

REPORT NUMBER 34

AUGUST 1999

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NORTHERN TERRITORY**

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AUGUST 1999

Members

Mr Stephen Dunham, MLA - Chairman (2/12/97 - 16/2/99)

Mr Chris Lugg, MLA - Chairman (16/2/99 - 10/8/99)
Member (2/12/97 - 16/2/99)

Mr John Bailey, MLA (26/11/97 - 10/6/99)

Mr Steve Hatton, MLA (16/2/97 - 14/10/98)

Dr Richard Lim, MLA (16/2/99 - present)

Mr Peter Toyne, MLA (2/12/97 - present)

Mr John Elferink, MLA (2/12/97 - present)

Secretariat

Terry Hanley
Secretary to the Committee

Peter Thornton
Consultant to Inquiry

Judith Herring
Research Assistant to the Secretary

Legislative Assembly of the Northern Territory

Public Accounts Committee

GPO Box 3721
Darwin NT 0801

Level 3, Parliament House
Mitchell Street
Darwin NT 0800

Telephone: (08) 89461 438
Facsimile: (08) 89816 158
Email: pa.committee@nt.gov.au



Legislative Assembly of the Northern Territory
Public Accounts Committee

Telephone: (08) 8946 1438
Fax: (08) 8981 6158

GPO Box 3721
DARWIN NT 0801

19 August 1999

The Hon. Terry McCarthy, MLA
Speaker
GPO Box 3721
DARWIN NT 0800

Dear Speaker,

In accordance with the provisions of Section 21A of the Standing Orders of the Legislative Assembly of the Northern Territory, I have pleasure in submitting this report on the 'Inquiry into the Roles of Various Funding Bodies in the Development and Maintenance of Roads, Airstrips and Barge Landings on Aboriginal Communities and Outstations in the Northern Territory'.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E. Poole'.

E. POOLE, MLA
Chairman

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ABBREVIATIONS

AAAC	Australian Aboriginal Affairs Council
ABR	Aboriginals Benefit Reserve
ABTA	Aboriginals Benefit Trust Account
ADC	Aboriginal Development Commission
ATSI	Aboriginal and Torres Strait Islander
ATSIC	Aboriginal and Torres Strait Islander Commission
CDEP	Community Development Employment Program
CGC	Commonwealth Grants Commission
Committee	Public Accounts Committee
DEETYA	Department of Employment, Education, Training and Youth Affairs
DH&LG	Department of Housing and Local Government
DLG	Department of Local Government
DSS	Department of Social Security
FAGs	Financial Assistance Grants
GDP	Gross Domestic Product
GST	Goods and Services Tax
HIPP	Commonwealth Health Infrastructure Priority Projects
IHANT	Indigenous Housing Authority of the Northern Territory
IT	Information Technology
LGANT	Local Government Association of the Northern Territory
LGDP	Local Government Development Program
MLA	Member of the Legislative Assembly
MP	Member of Parliament
NAHS	National Aboriginal Health Strategy
NOLG	National Office of Local Government
NSW	New South Wales
NT	Northern Territory
NTETA	Northern Territory Employment and Training Authority
NTG	Northern Territory Government
PAC	Public Accounts Committee
RAMP	Remote Area Management Project
RTIF	Regional Telecommunications Infrastructure Fund
T&W	Department of Transport & Works

NORTHERN TERRITORY PUBLIC ACCOUNTS COMMITTEE

Status of the Committee

The Northern Territory Public Accounts Committee was established by temporary Standing Order 21A of the Legislative Assembly on 16 August 1986.

The Committee's status was altered, by way of a motion of the Chief Minister on 23 August 1988, from a Sessional Committee on a trial basis to a Standing Committee of the Parliament.

As a Committee of the Legislative Assembly, its authority is derived from the *Northern Territory (Self-Government) Act* (of the Commonwealth) and the *Legislative Assembly (Powers and Privileges) Act* (of the Northern Territory).

The committee is comprised of five (5) members, presently three (3) Government and two (2) Opposition members.

Duties of the Committee

The duties of the Committee under Standing Orders 21A (2) are:

- (a) to examine the accounts of the receipts and expenditure of the Northern Territory and each statement and report tabled in the Legislative Assembly pursuant to the *Financial Management Act* and the *Audit Act*;
- (b) to report to the Legislative Assembly with such comments as it thinks fit, any item or matters in or arising in connection with those accounts, statements or reports, or in connection with the receipt or disbursement of the moneys to which they relate, to which the Committee is of the opinion that the attention of Parliament should be drawn;
- (c) to report to the Legislative Assembly any alteration which the Committee thinks desirable in the form of the public accounts or in the method of keeping them or in the method of receipt, control, issue or payment of public moneys;
- (d) to inquire into and report to the Legislative Assembly on any question in connection with the public accounts of the Territory -
 - (i) which is referred to it by a resolution of the Assembly; or
 - (ii) which is referred to it by the Administrator or a Minister; and
- (e) to examine the reports of the Auditor-General tabled in the Legislative Assembly with the accounts of an agency of the Northern Territory, including any documents annexed or appended to those reports, pursuant to the *Audit Act*.

Committee Members

The Members of the Public Accounts Committee during the term of the Inquiry were:

Mr Stephen Dunham, MLA - Chairman

Appointed and Elected Chairman 26 November 1997
Discharged 16 February 1999
Country Liberal Party
Member for Drysdale. First elected 1997
Deputy Chairman of Committees
Other Committees: House; Environment

Mr Chris Lugg, MLA - Chairman

Appointed 26 November 1997
Discharged 10 August 1999
Elected Chairman 16 February 1999
Country Liberal Party
Member for Nelson. First elected 1997
Deputy Chairman of Committees
Other Committees: Privileges; Publications

Mr John Bailey, MLA

Appointed 4 December 1990
Australian Labor Party
Member for Wanguri. First elected 1989
Resigned June 1999
Deputy Opposition Leader
Shadow Minister for Treasury; Tourism; Transport and Infrastructure
Development; Ports; AustralAsia railway and Ethnic Affairs
Other Committees: Standing Orders

Mr Steve Hatton, MLA

Appointed 26 November 1997
Discharged 14 October 1998
Country Liberal Party
Member for Nightcliff. First elected 1983

Dr Richard Lim, MLA

Appointed 16 February 1999
Country Liberal Party
Member for Greatorex. First elected 1994.
Other Committees: Territory Food Prices (Chairman); Environment (Chairman)

Mr Peter Toyne, MLA

Appointed 9 October 1996
Australian Labor Party
Member for Stuart. First elected 1996
Shadow Minister for Education and Training; Aboriginal Affairs; Primary Industry, Communications and Advanced Technology; and Corporate and Information Services
Other Committees: Legal and Constitutional Affairs

Mr John Elferink, MLA

Appointed 14 October 1998
Country Liberal Party
Member for Macdonnell. First elected 1997
Deputy Chairman of Committees
Other Committees: Subordinate Legislation and Publications; Legal and Constitutional Affairs

The following members were appointed to the PAC prior to the tabling of this Report but took no active part in the Inquiry.

Mr Eric Poole, MLA

Appointed 10 August 1999
Elected Chairman 10 August 1999
Country Liberal Party
Member for Araluen. First elected 1986
Deputy Chairman of Committees

Mr Paul Henderson, MLA

Appointed 10 August 1999
Labor Party
Member for Wanguri. First elected 1999
Shadow Minister for Health, Family & Children's Services; Housing, Tourism; Parks & Wildlife; and Defence Support

TERMS OF REFERENCE

On 24 February 1998, the Hon. Barry Coulter, Minister for Transport and Works moved that:

the Public Accounts Committee inquire into and report upon the following matters:

- (1) the roles of various funding bodies in the development and maintenance of roads, airstrips and barge landings on Aboriginal communities and outstations in the Northern Territory, which are presently funded from multiple sources, with particular reference to:
 - (a) the 1993 decision of the Commonwealth to transfer local roads responsibilities and funds to community government bodies and the impact of that decision;
 - (b) the impact of ATSIC decisions to allocate capital funding to communities for infrastructure development, with no financial provision for ongoing maintenance;
 - (c) the capacity of communities to plan for and execute infrastructure maintenance projects;
 - (d) whether the existing criteria adopted for the allocation of funds by funding providers takes appropriate account of population, potential utilisation of the infrastructure and the comparative economic and social needs of each community;
 - (e) strategies that could support funding consolidation and mutual cooperation from the principal participants, leading to a more effective and equitable allocation and application of funds; and
 - (f) strategies for capitalising on the training and employment opportunities implicit in infrastructure development and maintenance projects undertaken on Aboriginal communities; and
- (2) that the committee report to the Assembly on or before the first sitting of the Assembly in 1999.

The motion was agreed to.

CONDUCT OF INQUIRY

In mid-June 1998, the Committee commenced its research into the provision and maintenance of infrastructure on Northern Territory outstations and communities. The Committee did not feel that it was necessary to call for expressions of interest given the nature of the inquiry, and the volume of research material that has been compiled over the last 10 years in this area. The Committee did, however, receive two formal submissions from the Local Government Association of the Northern Territory (LGANT) and the Aboriginal and Torres Strait Islander Commission (ATSIC).

Hearings were held in the Darwin, Alice Springs and Nhulunbuy (Attachment A), and in 10 remote Aboriginal communities (Attachment B) over the period from 6 July 1998 to 7 August 1998.

CHAIRMAN'S FOREWORD

As newly elected Chairman of the Public Accounts Committee, I am pleased to present this report, but in doing so I must acknowledge my predecessor, the Hon. Chris Lugg, who had the responsibility for carriage of the inquiry through to the final report stage.

This Report is in response to a reference received by the PAC on 24 February 1998 from the Minister for Transport and Works, the Hon Barry Coulter, MLA, to conduct an inquiry into the roles of various funding bodies in the development and maintenance of roads, airstrips and barge landings on Aboriginal communities and outstations in the Northern Territory.

Hearings were scheduled in Darwin, Alice Springs and Nhulunbuy and in ten remote Aboriginal communities, where various Northern Territory, Commonwealth and Aboriginal agencies provided evidence. The visits to the communities also provided an opportunity for Committee members to discuss issues with the local government elected members as well as community members.

During the course of the inquiry, the Public Accounts Committee members' views regarding the inter-relationship between infrastructure development and maintenance and the relative 'health' of communities within the Territory was reinforced. This inter-relationship highlighted the direct health benefits that are derived from having access to an adequately developed and maintained transport infrastructure for the effective and efficient transportation of both goods and services.

The Committee also noted that this inquiry coincided with a number of other reviews that were currently being undertaken that have the potential to significantly affect the outcomes of this report. The reports, outlined below, will be monitored and their findings taken into account by the Committee if available and appropriate.

- Review of Aerodromes Servicing Remote Indigenous Communities (ATSIC);
- Review of Outstation Resource Centres (ATSIC);
- Review of the Northern Territory Bilateral Agreement on Aboriginal Housing and Related Infrastructure (Joint Commonwealth and Northern Territory Government).

The Committee acknowledges that the provision of community related transport infrastructure is essential for the future well-being of people living on these remote Aboriginal communities, and that the development of such infrastructure should be undertaken through mechanisms which ensure significant control over development and spending is given to Aboriginal people.

While the Committee believes that there will never be sufficient resources to adequately meet the infrastructure deficit, significant progress could be made through using existing resources more effectively, thereby reducing much of the current duplication in service delivery. This can be best achieved through the clarification of responsibilities between the various spheres of government and their associated agencies. This clarification of roles and functions also needs to be addressed by quasi government, community and other organisations that have a

direct involvement in the delivery of services and the overall advancement of Aboriginal people within the Northern Territory.

Inevitably, due to the inter-relationship of issues on remote communities, the Committee was asked to assist with a variety of problems faced by councils. The Committee took pains to point out the limitations of its role but nevertheless undertook to bring the matters of concern to the attention of the relevant authorities.

It quickly became apparent that the scope of this inquiry could be as wide as the Committee chose to implement, and could encompass all manner of issues. In the main, the Committee has chosen to limit its investigations into defining and citing the major areas of concern in the hope that the relevant line agencies will resolve both policy and procedural concerns.

On behalf of the previous Chairman, I extend thanks to Committee members for their efforts during this inquiry and their desire to contribute to an improvement in both the development and maintenance of the transport infrastructure on the many remote Aboriginal communities throughout the Northern Territory.

On behalf of the Committee I extend their thanks to the Committee Secretariat: Mr Terry Hanley, Mr Peter Thornton, Mrs Judy Herring and Hansard staff for their assistance in the conduct of the inquiry, and the preparation of this report.

ERIC POOLE, MLA
CHAIRMAN

PREAMBLE

The provision of infrastructure in remote communities is essential for the future well-being of people living in remote Aboriginal communities. During the course of this inquiry, the Public Accounts Committee received conclusive evidence that there was varying degrees of confusion relating to infrastructure development in the Northern Territory (NT). This was highlighted at the local government level where councils are required to deal with multiple funding bodies, often having similar agendas but minimal coordination in the delivery of services to Aboriginal people.

Compounding this was the lack of clarity at both the Territory and Commonwealth levels regarding governmental responsibilities for Aboriginal people, particularly those living on outstations who are primarily being serviced through outstation resource centres funded through ATSIC.

The inquiry focused on the development and maintenance of roads, airstrips and barge landings on Aboriginal communities and outstations. It is evident from information gathered that the most significant infrastructure matters relate to local roads. It is evident that substantial degradation to the remote local road infrastructure has occurred. The Committee believes this can be partly attributed to the 1990 Special Premiers' Conference decision to direct road funding to councils through the Northern Territory Local Government Grants Commission. This decision stated:

Funds for local roads will be untied and paid at the same real level as at present to or state governments where they are responsible for local roads via general purpose grants.

This decision, while strengthening the concept of Aboriginal self-determination and decision-making, has had the effect of fragmenting the funding amongst the then 52 non-municipal local governing bodies, resulting in the creation of significant diseconomies of scale. In addition, the untied nature of the local road grants has effectively meant that in many cases the quantum of funding being expended on road maintenance is effectively reduced because it is common for councils to divert road funds to non road projects as community priorities dictate.

Other concerns relating to the development and maintenance of the local road infrastructure identified by the committee included:

- a lack of expertise and/or training opportunities for community residents;
- a lack of plant and equipment, or conversely, other communities with a plant pool beyond what could be utilised on a commercial basis;
- inadequate levels of funding to fulfil maintenance requirements, with no capacity for road upgrading or construction;
- a lack of clarity on the legal responsibility and liability relating to local road maintenance on Aboriginal land;
- a lack of coordination within all spheres of government to maximise resource utilisation relating to infrastructure provision; and

- immense disparities in the quantum and per capita share of funds provided to communities and outstation resource centres, with no discernable reason.

The Committee believes that whilst barge landings and airstrips are significant in the context of transport infrastructure, the related problems Aboriginal communities are experiencing regarding their construction and maintenance are minimal when contrasted to the local road issue.

In the case of barge landings, the original capital infrastructure has stood up well and scheduled repairs and maintenance, together with periodical minor works, has meant that these facilities remain utilitarian. Given the age of these assets however, the Committee believes that continual assessment and evaluation of the assets is essential to ensure their longevity.

Airstrips, unlike barge landings, and particularly roads, are rarely used if unserviceable. Thus a road in poor condition will continue to be used, and hence its deterioration accelerated. An airstrip is more absolute, it is either able to be used, or it is not, the standards are evident and are well understood.

Finally, the Committee has noted that there are a number of significant reviews that are currently being undertaken, or have recently been completed, at both the Northern Territory and Commonwealth level that have the capacity to impact on the provision of infrastructure within the NT. These include:

Commonwealth

- Review of Aerodromes Servicing Remote Indigenous Communities (ATSIC);
- Review of Outstation Resource Centres (ATSIC);
- ‘Independent Review of the Community Development Employment Project Scheme’ (Commonwealth Government, Estimates Review Committee); and
- Review of the *Aboriginal Land Rights (Northern Territory) Act 1976* titled ‘Building on Land Rights for the Next Generation’ (Commonwealth Government, Minister for Aboriginal Affairs).

Northern Territory

- Review of the Northern Territory Bilateral Agreement on Aboriginal Housing and Related Infrastructure (Joint Commonwealth and Northern Territory Government)

As a result of the potential significance of these reviews, it was decided to defer the PAC’s report until Committee members had the opportunity to consider the content of these independent reports. Unfortunately however, at the time that this Report was finalised, Committee members had not been able to obtain copies of all the abovementioned documents.

Based on the evidence that has been provided to the Public Accounts Committee over the period of the review, the report has been written with the following philosophical beliefs in mind.

PHILOSOPHICAL BELIEFS

- The NT Government inherited a sizeable infrastructure deficit from the Commonwealth at the time of Self-Government.
- The Commonwealth and Northern Territory Government funding arrangements must recognise and address the infrastructure deficit within the NT, particularly as it applies to local road funding.
- The responsibility for outstations and their residents, together with Aboriginal housing, were retained by the Commonwealth at the time of Self-Government and, to date, have not been transferred to the NT Government.
- Improvement in the infrastructure development for Aboriginal people requires cooperation between government agencies and other organisations to ensure employment, training and funding needs are addressed and that community and individual attitudes are integrated.
- To meet the Northern Territory Government's and Aboriginal communities' expectations relating to transport infrastructure, flexible approaches to its provision are required.
- The present system of infrastructure provision has entrenched inefficiencies.
- The Northern Territory Government has a responsibility to contribute to basic infrastructure and must demonstrate that its programs are efficient, appropriate and equitable.

EXECUTIVE SUMMARY

After evidence had been collected, the Public Accounts Committee agreed that the recommendations formulated in this Report would be underpinned by a set of guiding philosophical beliefs. These beliefs are set out in the preamble to the Report. The broad reference that was given to the Committee requested it to examine the roles of various funding bodies in the development and maintenance of roads, airstrips and barge landings on Aboriginal communities and outstations in the Northern Territory. A number of sub-references addressed specific issues relating to this infrastructure development and these have been dealt with as separate chapters within the report.

Chapter 1

Chapter 1 provides an historical perspective regarding the provision of infrastructure within the Northern Territory and highlights that at the time of Self-Government, the Northern Territory Government (NTG) inherited a significant infrastructure deficit from the Commonwealth. It also addresses the fact that, given the highly dispersed population, harsh environmental conditions and the general remoteness of many of these Aboriginal communities, the provision of services is a significantly more expensive exercise than that encountered in the southern States.

These issues are further complicated by the blurring of the lines of responsibility between the Northern Territory and the Commonwealth Governments regarding the provision of services to its outstation residents due to agreements outlined in the 'Memorandum of Understanding', signed at the time of Self-Government.

Commonwealth funds received by the Northern Territory Government to assist with service provision to all Territorians are determined through relativities calculated by the Commonwealth Grants Commission. These relativities are determined through assessing the standardised expenditure for each State/Territory for the provision of services together with their revenue raising capacity. This allows a multiplier to be calculated that determines the quantum of funding for each State/Territory.

In relation to infrastructure development and maintenance, there are three key agencies:

- the Aboriginal and Torres Strait Islander Commission (ATSIC);
- the Department of Housing and Local Government (DH&LG). This Department has subsequently been split into the Department of Housing and the Department of Local Government; and
- the Department of Transport and Works (T&W).

Other agencies, both Commonwealth and Northern Territory, also have a lesser role to play in the provision of services and infrastructure, including the Department of Employment, Education, Training and Youth Affairs (DEETYA) and Northern Territory Employment and Training Authority (NTETA).

Chapter 2

This chapter highlights three major issues that were identified during the course of the Public Accounts Committee's deliberations. These issues became recurring themes as the sub-references were being addressed.

Intergovernmental responsibilities were not clear, primarily as a result of the 'Memorandum of Understanding' and the variety of interpretations placed on the document by stakeholders. This has led to a significant level of duplication in service provision by the Commonwealth Government and NTG that has precipitated a significant dilution of funding available to the Aboriginal people within the Territory. The most notable examples of duplication existed between local governing bodies on many communities often competing with resource centres for funding, to provide services to essentially the same group of people.

The thrust of the recommendations in this area are for the establishment of an overarching agreement identifying the respective responsibilities of the Commonwealth Government and NTG in relation to the provision of services to all Aboriginal residents.

The coordination of funding providers and service deliverers is also seen as critical if more effective service delivery mechanisms are to be implemented. The focus here is on the establishment and maintenance of information flows between NTG agencies to ensure maximum benefit is achieved through the coordination of contracted work and the packaging of work on communities to achieve greater economies of scale.

The proliferation of local governing bodies and their current structure is considered by the Committee to be counter productive to many outcomes which are desirable for more effective and efficient service provision. A large number of the existing councils are small, have limited expertise and are heavily grant dependent because there is little or no capacity to raise revenue or establish economies of scale.

Chapter 3

Chapter 3 addresses Term of Reference 1(a) 'The 1993 decision of the Commonwealth to transfer local roads responsibility and funds to community government, and the impact of that decision'.

The Territory was included as a grant recipient for the receipt of road funding from 1980/81, with part of the funds formerly incorporated within the Commonwealth's Northern Territory budget being identified as road grants.

The NTG, prior to a decision taken at a 1990 Special Premiers' Meeting, was responsible for all roads within the Territory. This 1990 decision effectively removed the NTG's responsibility for approximately 8,000 kms of roads, primarily located on Aboriginal land and placed it with the established local governing bodies. Associated Commonwealth funding was also provided directly to those bodies. While the Committee can understand the logic in making this decision, it has concluded that it was not in the best interests of the Northern Territory nor its Aboriginal constituents.

Some of the major areas of concern that have arisen as a result of the direct road funding decision included:

- appropriateness of the current funding arrangements in the Northern Territory context;
- lack of technical and financial expertise on many communities to manage the responsibility;
- lack of clarity on the legal responsibility and liability relating to local road maintenance on Aboriginal land;
- accountability issues due to the untied nature of the funding;
- erosion of the capacity to achieve economies of scale;
- a revenue issue, as government funding is insufficient to adequately maintain the road network, however there is little capacity for own source revenue;
- lack of coordination within all spheres of government to maximise resource utilisation relating to infrastructure provision;
- transfer of appropriate funding when responsibility for particular community infrastructure is transferred from one sphere of government to another; and
- Commonwealth recognition of the financial issues associated with a rapidly expanding and upgraded road network, much of which has been developed as a result of the Commonwealth Government's outstations policy.

The Committee identified a number of major concerns. The quantum of funds provided by the Commonwealth Government under this arrangement is inadequate, as it doesn't recognise the rapidly expanding local road network, the lack of own source revenue available to councils and the harsh conditions of the Territory environment. All of these seriously impair a councils' ability to fulfil the responsibilities that have been given to them.

The arrangements have seriously eroded any previous economies of scale that were created through a centralised system of road maintenance and, there are serious concerns regarding the issue of cost shifting between the two spheres of government.

Chapter 4

Chapter 4 addresses Term of Reference 1(b) 'The impact of ATSIC decisions to allocate capital funding to communities for infrastructure development, with no financial provision for ongoing maintenance'.

From the outset, the Committee had concerns regarding the wording of this particular Term of Reference as it clearly implies that ATSIC allocates capital funding to communities with no ongoing provision for maintenance of these capital assets. While there are clearly examples of

this happening, there is also a substantial amount of money being provided for ongoing operational or maintenance costs of outstations and some major communities.

ATSIC has, for the past 20 years, actively supported the homelands/outstation movement in the interests of promoting the preservation and enhancement of cultural values, improved health outcomes and social well-being. The support and facilitation of this migration has raised a number of complex policy issues relating to the provision of housing and infrastructure. The development, planning and funding of outstations has been, at times, a major bone of contention between ATSIC and the various State and Territory Governments.

The Committee has noted with interest that the national commitment to improved outcomes for ATSI (Aboriginal and Torres Strait Islander) people has been advanced in a marginal manner. The national commitment to improved conditions in the delivery of programs and services for ATSI people originally envisaged that guidelines would be established and agreed for the planning and provision of services based on factors such as community size and location, availability of natural resources, etc. It is clear to the Committee that while some work in this area has been achieved, there is still a long way to go to get general consensus on the service delivery issue.

The diversion of funds for outstation development and ongoing maintenance is clearly a sensitive issue, particularly with the NTG. It is apparent that in some areas the establishment of a number of small, often single family, outstations has diverted both Commonwealth and Territory funds from the larger communities to the disadvantage of the majority of Aboriginal people. This has occurred principally because of the lack of an agreed policy on the establishment of outstations between the Commonwealth and State/Territory Governments and ATSIC, and because of the differing priorities of the ATSIC regional councils and State/Territory agencies responsible for service provision.

One overwhelming fact that came to light during the course of this Inquiry was the level of duplication of both capital equipment, infrastructure, and service provision which was evident as a result of many communities having two service providers operating within their boundaries. These providers being the local government authorities and resource centres.

One of the Committee's greatest concerns regarding the establishment of homeland communities is that they appear to be established in relative isolation, where there should be far stronger linkages between outstation development and the base community to which it is associated. Compounding this is the evidence that decisions to fund community infrastructure on homeland communities often does not include arrangements for consultation and coordination with other key stakeholders.

Chapter 5

Chapter 5 addresses Term of Reference 1(c) 'The capacity of communities to plan for and execute infrastructure maintenance projects'.

There is no doubt that appropriate planning can significantly advance the social, economic and cultural development of Aboriginal people and their respective communities. The issue has always been how best to plan and articulate those plans so all community members have input and therefore ownership of their future.

It is clear that there are two elements to the planning issue. The first is the community's capacity to plan, articulate those plans in a manner that is understood by all stakeholders, and, perhaps most importantly, implement the plans effectively. Secondly, the NTG and the respective arms of the Commonwealth Government have to endeavour to assist not only in the planning process where appropriate, but also in the realisation of the planning outcomes through a greater targeted delivery of services and resources.

It would appear that there are a number of impediments to appropriate and effective community-based planning at present. These include:

- appropriate timeframes and processes for planning facilitation;
- appropriate roles and training for staff and consultants assisting communities with planning;
- training of community leaders; and
- the need to integrate planning with funding to ensure plans are achievable.

As government agencies are often the catalyst for community planning initiatives, it is imperative that they work in a constructive and coordinated manner. In order for any planning outcome to be successful and realise stated outcomes, there needs to be a spirit of cooperation between the community and the other stakeholders. These stakeholders are primarily the various levels of government and the Land Councils. Unfortunately, there is evidence that the competing agendas of the various agencies and organisations can be counter-productive in the achievement of the stated aims and aspirations of many communities.

Issues that need to be addressed in this area to improve planning outcomes include:

- fostering a greater degree of cooperation and coordination between the various agencies that impact on community development;
- the achievement of a more unified and collaborative approach to funding in line with accepted community plans; and
- the maximisation of community employment and training opportunities that may arise from community project work in line with these plans.

Chapter 6

Chapter 6 addresses Term of Reference 1(d) 'Whether the existing criteria adopted for the allocation of funds by funding providers takes appropriate account of population, potential utilisation of the infrastructure and the comparative economic and social needs of each community'.

There are a multitude of funding providers that assist with the development and maintenance of transport infrastructure on Aboriginal communities. These include:

- the Aboriginal and Torres Strait Islander Commission;
- the National Office of Local Government;
- the NT Department of Local Government;
- the NT Department of Housing; and
- the NT Department of Transport and Works.

The Committee, during the course of this Review, identified four concerns that it felt should be addressed:

1. The local road funding contribution received from the Commonwealth on an annual basis should be reviewed with regard to equity for the Northern Territory. Given the origins of this funding, it is not possible to make an accurate assessment as to whether the original allocation was appropriate for the Territory. What has been highlighted however, was that the assumption on which the \$4.1m was determined is clearly erroneous, as it was based on those roads located on Aboriginal land that were being maintained by T&W at that time. These roads, in fact, were not reflective of the local road network that was identified over the following two years by the NT Grants Commission.

Compounding this concern is the fact that the majority of councils for whom this funding is intended have a limited or non-existent rate base to provide a source of supplementary funding for road maintenance purposes.

2. While the Northern Territory Grants Commission road funding methodology was found to be adequate, it was suggested that recognition of additional factors such as road usage, access disadvantage and weighting roads on expected standard rather than actual road type may provide greater equity between councils.

3. The allocation of the financial assistance grants has always been an enigma and a source of continual frustration for the NTG and the local government industry. The Commonwealth, through the National Office of Local Government (NOLG), allocating approximately \$833m on a per capita basis to the States and Territories, with no recognition for the relative cost of providing local government services between the various jurisdictions. On the other hand, under Commonwealth legislation, the respective Grants Commissions are required to allocate these funds on a needs basis to the respective councils.

This issue was addressed at the 1994 Local Government Ministers' Conference without success. The Committee is of the opinion it should be thoroughly researched by Treasury and if this research highlights a nett disadvantage to the Northern Territory through the current distribution mechanism, then further attempts to seek an interstate redistribution of this funding should be pursued.

4. Submission-based funding is widely practiced by ATSIC and DEETYA, but requires urgent and critical examination. It is counter to any reasonable interpretation of social justice that Aboriginal organisations are compelled to make submissions to grant bodies for basic citizenship entitlements. Under present arrangements, each community must bid against every other community, each region against region and

each State against State. Funding decisions rely largely upon the judgement of the decision-making body and the politics within it.

This often denies communities any predictability of funding and is counter to the principle of community planning as there is little evidence to suggest that the assessment of such submission takes any cognisance of existing community plans.

Chapter 7

Chapter 7 addresses Term of Reference 1(e) 'Strategies that could support funding consolidation and mutual cooperation from the principal participants, leading to a more effective and equitable allocation and application of funds'.

Governments recognise that a variety of organisational structures have developed or been adapted by Aboriginal people to deliver a range of services, including local government type services to Aboriginal communities. These structures include community councils, resource centres, Aboriginal land councils, cooperatives, and other bodies incorporated under Commonwealth, State and Territory legislation as councils or associations. Despite the proliferation of such organisations, there has been minimal advancement in the provision of services to Aboriginal people.

The major factors contributing to this are the confusion regarding the respective responsibilities of the Commonwealth and the Northern Territory Governments and the divergent views regarding the appropriateness of local government being a major service and infrastructure provider on communities.

There are a number of strategies that would enhance the delivery of services to Aboriginal people:

- brokering of appropriate bilateral agreements with the Commonwealth where duplication or overlap of responsibilities is evident or, if appropriate, consideration of the expansion of the current responsibilities of the Indigenous Housing Authority of the Northern Territory (IHANT);
- reform of the current local government structure in the Northern Territory with the promotion of larger, more sustainable councils; constitutional recognition of traditional decision-making; transparent planning and financial reporting; and the training of more competent elected members and council staff;
- the promotion of the local area planning concept which can later be formalised through the development of regional plans. This would facilitate the establishment of strong social and economic links with neighbouring communities that are critical in order to provide a secure basis for the continued progression of community development principles;
- increased use of information technology in the more remote areas of the Northern Territory as the benefits from the Regional Telecommunications Infrastructure Fund (RTIF) become evident; and

- the placement of greater emphasis on the issues of performance monitoring and accountability on service providers to Aboriginal communities.

Chapter 8

Chapter 8 addresses Term of Reference 1(f) ‘Strategies capitalising on the training and employment opportunities implicit in infrastructure development and maintenance projects undertaken on Aboriginal communities’.

The generation of employment and economic opportunities in Aboriginal communities has many major obstacles as they are frequently remote, have poor infrastructure, and few marketable economic advantages. Many are still in a situation of social flux due the emergence of the outstation movement and the slow process of regaining traditional lands. Notwithstanding this, the importance of infrastructure and infrastructure development cannot be understated and, given the current infrastructure deficit inherited at the time of Self-Government, the rectification of these situations has the potential to provide significant employment and training opportunities.

The challenge for the NTG and Aboriginal people is to make the most of these opportunities. There are a number of strategies that should be considered to improve the current situation. These include, but are not limited to, the following:

- on-the-job training;
- development of Aboriginal enterprises;
- Community Development Employment Scheme; and
- implementation of low technology projects.

On-the-job Training

There is little doubt that, given the remoteness of many Aboriginal communities, the most appropriate and cost effective method of training is provided on the job where residents can remain on their communities in an environment that is most conducive to their education. There is considerable scope to further Aboriginal enterprise by Territory agencies promoting and assisting with on-the-job training, dwelling construction and maintenance teams, and essential service operators. Some successful initiatives have been implemented in this area but coordination of the effort of agencies with training authorities is necessary to ensure that trainees obtain recognised qualifications that enable them to extend their activities into the wider community.

Development of Aboriginal Enterprises

Promotion and support of Aboriginal enterprise projects are uncoordinated and characterised by a number of Commonwealth and State programs directed toward the same end. There is a need to develop a more coordinated approach with collaboration between economic development agencies on initial screening and evaluation, funding, on-going support, monitoring and accountability processes.

There are essentially two ingredients for the establishment of successful enterprises on Aboriginal communities. The first is a dedication and commitment to the venture by

community residents and the second is the provision of establishment funding. One source of funding that should be thoroughly investigated is the Aboriginals Benefit Reserve (ABR).

A further option, with the advent of native title, would be to consider the injection of resources into similar activities through the negotiation of native title compensation. These activities could include the upgrading of community infrastructure, purchase of business enterprises, etc. The precedent for this type of negotiation has already been set by the Jawoyn people in the Katherine region who are negotiating the waiver of their native title rights essentially in return for the development of a community infrastructure within the region.

Community Development Employment Program (CDEP) Scheme

There is little doubt that the most important employment initiative in major communities in recent years has been the implementation of CDEP. This scheme, amongst other things, has given the participating communities the capacity to allow local communities to tender competitively for contracts by using CDEP subsidised labour to undercut competitors.

As there has been an extensive review of the CDEP Scheme recently by Mr Ian Spicer, it is not the Committee's intention to conduct its own review of the effectiveness of the scheme in this Report. However, there were a number of concerns regarding the scheme that were relayed to the Committee during the course of its travels which require further investigation. These concerns were basically associated with the aspects of eligibility and allocation of the available financial resources.

Implementation of Low Technology Projects

One area that does not appear to be utilised to its potential is the deployment of labour intensive, low technology initiatives for the advancement of communities. It is accepted that on the majority of communities the potential labour force is significant, particularly where CDEP is in operation. It would appear from the Committee's investigation that appropriate use of this largely untapped resource is rarely utilised.

COMMITTEE'S RECOMMENDATIONS

1. The Office of Aboriginal Development initiate discussions that will broker an overarching agreement identifying the respective responsibilities of the Commonwealth and Northern Territory Governments regarding Aboriginal people. This agreement should encompass:
 - endorsement and implementation of an approved plan with appropriate financial resourcing;
 - agreed policy position on the level of servicing to large and small communities;
 - clear identification and agreement to funding sources both Commonwealth and NTG; and
 - clarification of the respective responsibilities of all spheres of government as to the funding of services.
2. The Department of Local Government consider the appropriateness of expanding the community development officer's role to incorporate intra agency coordination responsibilities where agency activities impact on Aboriginal communities and/or the respective local governing bodies.
3. The Department of Local Government, in partnership with the Office of Aboriginal Development and ATSIC, work with communities and relevant organisations to rationalise the current service delivery roles and functions of resource centres and recognised local governing bodies, etc. Options that may be considered include:
 - increasing efficiency through coordination with existing organisations to provide a better service delivery;
 - retention of both organisations, however direct funding through the local governing body with the resource centres operating through a service level agreement (Purchaser/Provider model);
 - seek amalgamation at local level, e.g. at resource centre and community council; and
 - creation of regional administrative structures, e.g. shires.
4. The Northern Territory Government prepare a submission for the Commonwealth Government's consideration canvassing the following issues:
 - a comprehensive review of the current interstate distribution of local road funding, taking into account actual road lengths, local government's capacity to maintain relative infrastructure, topographical and climatic factors, and social equity issues;
 - seek negotiations with the Commonwealth to implement a joint rolling strategic roads program that would incorporate the upgrading of existing internal community roads; and
 - seek the Commonwealth's agreement to incorporate a factor that recognises and compensates those States/Territories that have rapidly expanding local road networks.

5. The Department of Local Government, Office of Aboriginal Development and ATSIC in conjunction with LGANT develop resource sharing models to maximise the use of resources between neighbouring councils and resource centres.
6. The Office of Aboriginal Development, Department of Local Government, ATSIC and LGANT research the issue of ‘cost shifting’ and, if appropriate, prepare a submission for consideration by ATSIC and other identified stakeholders relating to the transfer of funds in line with changing responsibilities between the respective spheres of Government.
7. A detailed survey and costing of the essential service requirements for the existing homeland centres should be undertaken.
8. An agreed policy position be negotiated between the Northern Territory and Commonwealth Governments regarding the development of future outstations. The policy should outline an agreed set of eligibility criteria for establishment that would encompass:
 - permanency of residency
 - security of land tenure
 - adequacy of potable water supply
 - incorporation within an integrated community planning process
9. Future outstations should satisfy an agreed set of criteria (which will be incorporated within the agreed policy position) relating to issues such as permanency of residency, security of land tenure, adequate supply of potable water and be incorporated within an integrated community planning process prior to their establishment.
10. A technically based coordination body representative of all stakeholders should be established to ensure that the development and provision of future outstation infrastructure is cost effective and of an appropriate standard. IHANT should be considered for this role given its broad representative base and its existing infrastructure focus.
11. The development of an acceptable framework for community planning focusing on simplicity and acceptability should be coordinated through the Office of Aboriginal Development involving appropriate Commonwealth and Northern Territory Government agencies.
12. Appropriate training is provided by all relevant agencies to their field officers who are engaged in community planning activities.
13. Consultants should be rigorously appraised against the checklist outlined in the Report (p. 72) prior to their appointment, particularly where public funding is being made available for community planning projects.
14. Increased training support should be provided to key community members during a planning process to assist future planning exercises being facilitated from within the community, thereby enhancing the reflection of community aspirations.

15. Line agencies, both Commonwealth and Northern Territory, need to be integrated into the planning process to ensure that stated outcomes can be aligned with resource allocation.
16. The Department of Local Government, the Office of Aboriginal Development and ATSIC develop an agreed set of community planning protocols to provide a more coordinated approach to community planning. A component of this framework would be the incorporation of a mechanism to allow community plans to be distributed to line agencies for comment.
17. Consistent with the approach outlined in Recommendation 16, a more coordinated approach to agency visitations is required to decrease the time community members spend on 'non core' business.
18. ATSIC and other funding providers should be encouraged to target discretionary funds towards projects outlined in accepted community plans.
19. Tender documentation for project work in line with community plans should be appropriately packaged, advertised and distributed to maximise community employment and training opportunities.
20. A survey and costing to be undertaken of the required expenditure for the maintenance of the current local road network against existing levels of funding provided for that purpose.
21. The Northern Territory Grants Commission should review its road funding methodology focussing on the following areas:
 - weighting roads on expected standard as opposed to existing road type;
 - factoring in road usage, or a *de facto* measure such as population, to give an indication of relative usage; and
 - recognition of a factor relating to 'access disadvantage' in the overall assessment process.
22. The Northern Territory Grants Commission seek the Commonwealth Minister for Local Government's approval to quarantine a percentage of the annual road funding allocation for distribution on a needs basis for the improvement of roads located on Aboriginal land.
23. The Northern Territory Treasury prepare a comprehensive discussion paper outlining the overall financial impact on the Territory of pursuing a change in current Commonwealth policy, regarding the current per capita interstate distribution of the local government financial assistance grants versus their distribution on the principles of horizontal fiscal equalisation.
24. The Northern Territory Grants Commission review its financial assistance grants methodology in consultation with all local governing bodies to encourage and achieve

greater efficiencies in the delivery of services through a rationalised local government structure.

25. ATSIC should be encouraged to assess the appropriateness of its submission-based discretionary funding allocations through the regional council structures.
26. IHANT consider the appropriateness of expanding its current responsibilities to incorporate transport infrastructure.
27. The Committee is supportive of the aims of the local government reform agenda and, while it recognises the difficulty of implementing reform, it suggests that flexibility and cooperation are the key issues.
28. The Department of Local Government explore the opportunities for resource sharing and regional planning amongst councils and other service providers consistent with Recommendation 27.
29. The Department of Local Government and LGANT investigate the opportunities and benefits for the increased use of information technology in community management.
30. Government contracts should be restructured to facilitate the easy management of a training component.
31. Contractors be required to provide local employment opportunities when undertaking work on Aboriginal communities on behalf of the Northern Territory Government. This requirement is to be monitored by the appropriate agency.
32. The Northern Territory Government seek ATSIC support for a greater proportion of the Aboriginals Benefit Reserve funds to be directed into economic development projects that create ongoing economic benefit, as opposed to the purchase of capital items.
33. The Committee strongly recommends that the Commonwealth expand the level of CDEP funding until the demand is adequately covered.
34. Discussions be initiated with appropriate agencies regarding a rationalisation of the current CDEP arrangements. Discussions should focus on the level of CDEP available to all communities expressing an interest in participating, rather than the current 'all or nothing' approach.
35. CDEP be applied on a proportional basis to all communities requiring it.
36. The options for appropriate technology, with the optimal use of labour opportunities on Aboriginal communities should be investigated.

CHAPTER 1 - INTRODUCTION

1.1 Background

The provision of infrastructure in remote Aboriginal communities is essential for the future well-being of Aboriginal people living in these areas. Without access to the adequate and appropriate physical and social infrastructure, Aboriginal people in remote areas will make little progress in overcoming the economic and social ills that afflict them. There is little doubt that the development and maintenance of transport infrastructure is essential for their social, economic and cultural development. In stark contrast to this, there is a strong motivation for Aboriginal people to move away from places where health, education and essential services infrastructure has been provided to remote dispersed outstations with less access to these services. This motivation has initiated what is commonly called the 'outstation movement'.

Although it can be demonstrated that significant benefits can accrue for individuals, clans and communities from this movement, two significant factors must be acknowledged. Firstly, the services that are to be provided to small groups of people living in remote areas of the Northern Territory can be of a vastly different standard to those provided in major centres. Secondly, as there is no clear delineation relating to service provision for these people between the Northern Territory and Commonwealth Governments, as a result duplication of services and infrastructure provision, cost shifting and inappropriate investment in infrastructure have occurred.

The provision of essential services to Aboriginal communities in general continues to lag behind that which is provided to the wider community. This is particularly so in the Northern Territory where a significant infrastructure deficiency can be identified. The reasons for this situation are threefold:

- the Northern Territory Government inherited a significant infrastructure deficit from the Commonwealth at the time of Self-Government (1978);
- due to the dispersed population, and harsh environmental conditions encountered in the NT, the provision of infrastructure is a significantly more costly exercise than that encountered by the southern states; and
- land tenure issues.

The cost of infrastructure provision in the Territory cannot be over-stated, particularly when considering the Commonwealth policy, adopted some 20 years ago, encouraging Aboriginal people to return and establish outstations on their traditional homelands has placed significant demands on infrastructure spending at both the Commonwealth and the NTG level. This has also filtered down to the local government level where many of the outstation residents rely either directly, or indirectly, on the council for the provision of services. While the social and health benefits of the homelands policy have been well recognised, the impact on financial resources both for the capital investment of these outstations and their ongoing maintenance is significant.

In addition, the issue of outstations goes beyond the provision of infrastructure, to the more important issue of responsibility for the provision of services to these people. In other States the responsibility is clear. Constitutionally the respective State Governments have responsibility for all their residents. The issue is somewhat blurred in the Northern Territory as the NTG derives its powers, not from the Australian Constitution, but from the 'Memorandum of Understanding' signed at the time of Self-Government. At the time the Memorandum was being negotiated, the Commonwealth specifically retained responsibility for Aboriginal outstations and housing, however, transferred responsibility for Aboriginal essential services to the NTG. With the rapid growth of the outstation movement and the expansion of local government to many remote communities, the responsibilities and funding obligations of both spheres of government are unclear. The PAC sees this as one of the greatest impediments to the advancement of Aboriginal people in the Territory, an issue that will be discussed in more detail in the body of this Report.

This report will examine the role and function of the various funding bodies involved in the development of transport infrastructure on Aboriginal communities and outstations, particularly focusing on local roads, airstrips and barge landings. It will examine the existing methods through which this infrastructure is provided, the capacity of the communities to plan for and manage such developments, and propose strategies that should be considered to improve the provision and maintenance of such infrastructure on these communities.

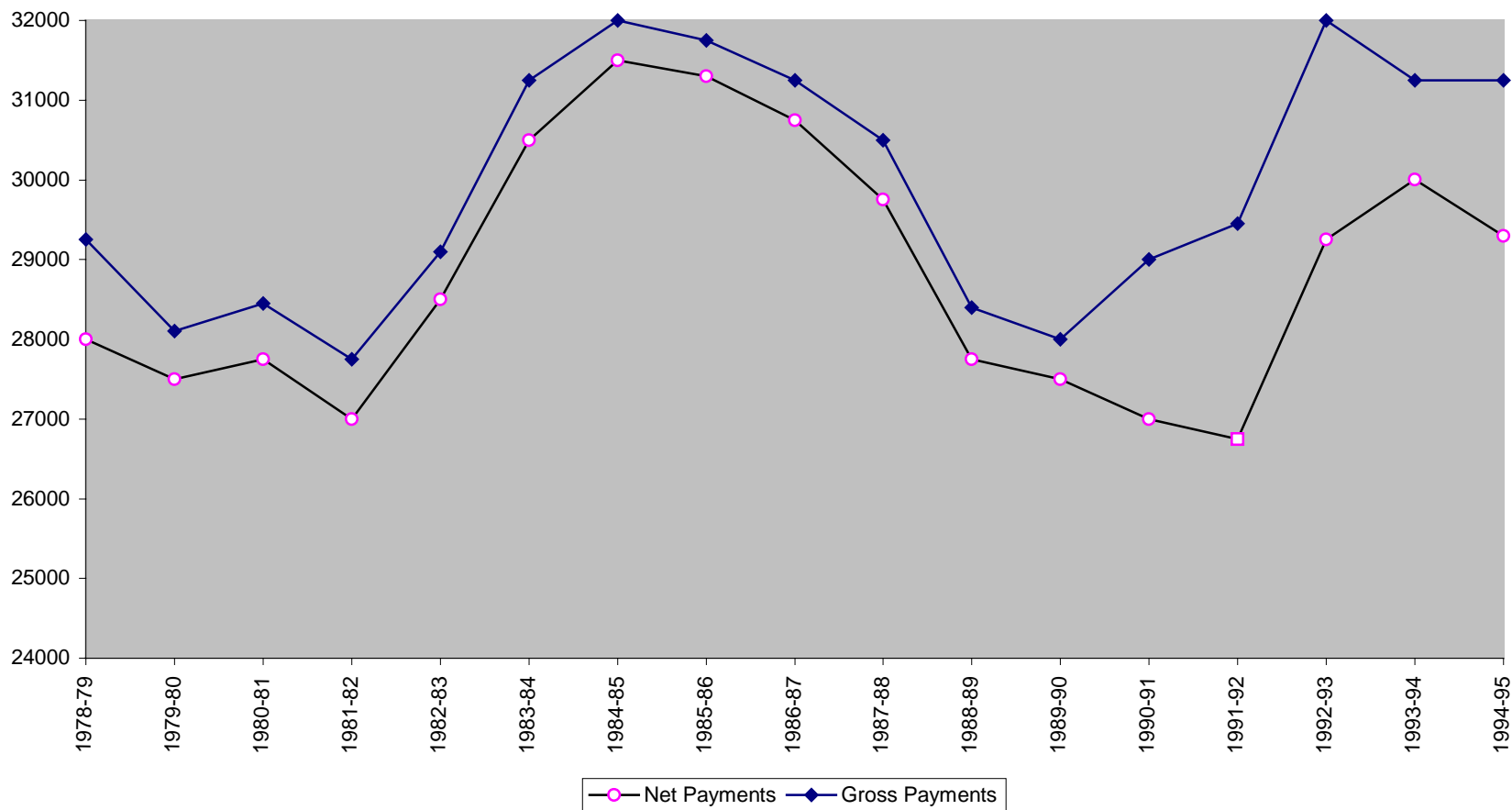
The PAC recognises that a number of the recommendations made in this report are outside the jurisdiction of this Committee, or for that matter the NTG. However, it is of the opinion that if real progress is to be made in this area then a far more coordinated and holistic approach needs to be adopted by all stakeholders.

1.2 Overview of Commonwealth/Territory Arrangements

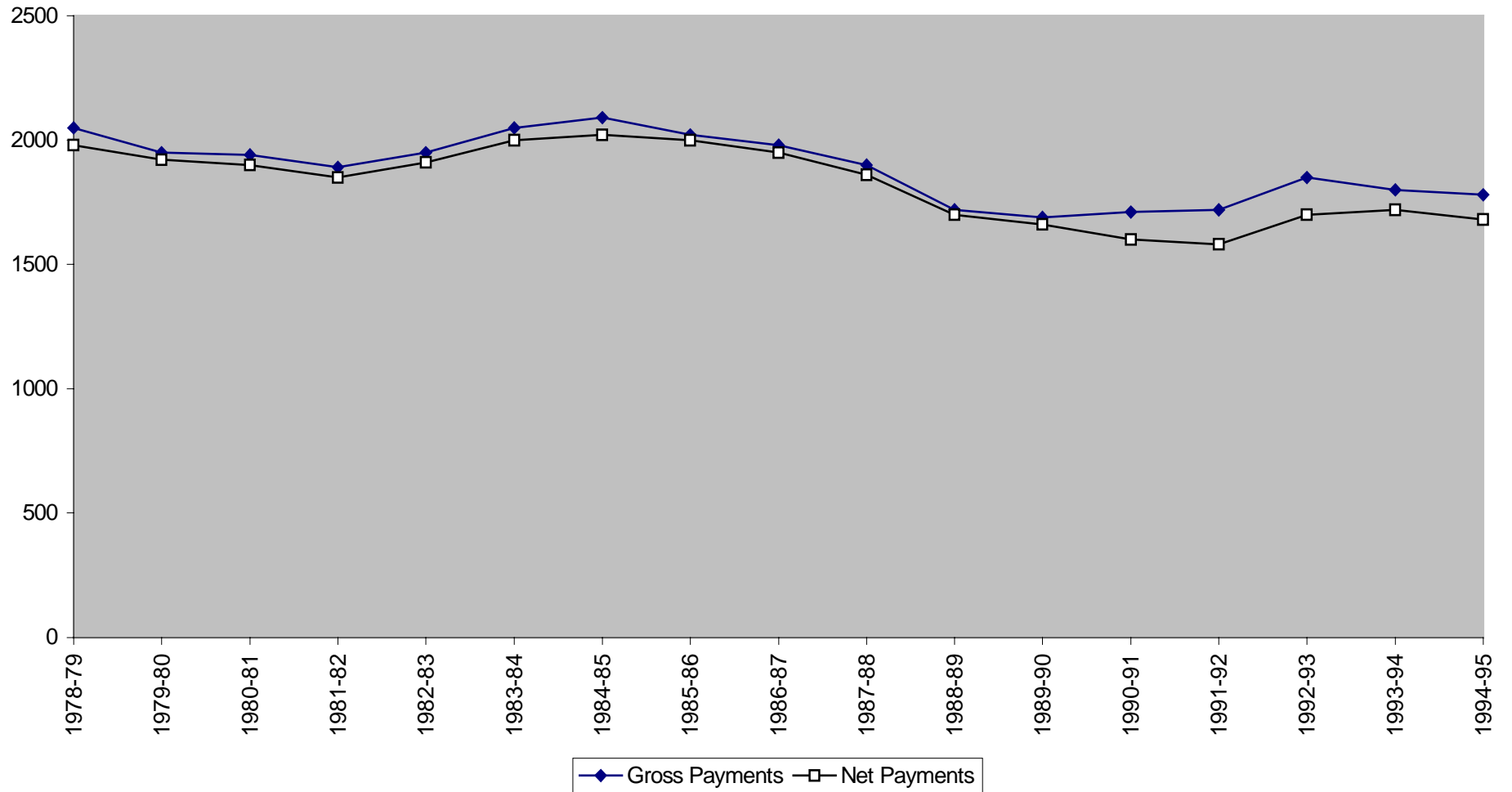
As pointed out by Crough and Pritchard (1991) relations between the Commonwealth and the Northern Territory Governments are of the utmost importance in facilitating the development of infrastructure in Aboriginal communities. Given that the Territory is much more reliant on Commonwealth assistance than the other States, the financial capacity of the NTG to undertake such development is largely contingent on the level of Commonwealth financial support. Such support has been declining as evidenced by Smith (1994) who states:

While Commonwealth investment spending has remained roughly unchanged at 1.5% of gross domestic product (GDP), public investment spending by State/Territory and local governments has declined steadily during the last three decades. There has been a marked fall since the mid 1980s as funds have been severely restricted by the Commonwealth Government (Tables 1 and 2).

**Table 1: Commonwealth Payments to the States, the N.T. and Local Government
(\$ million - Constant 1993-94 Prices)**



**Table 2: Per Capita Commonwealth Payments to the States, the N.T. and Local Government
(\$ - Constant 1993-94 Prices)**

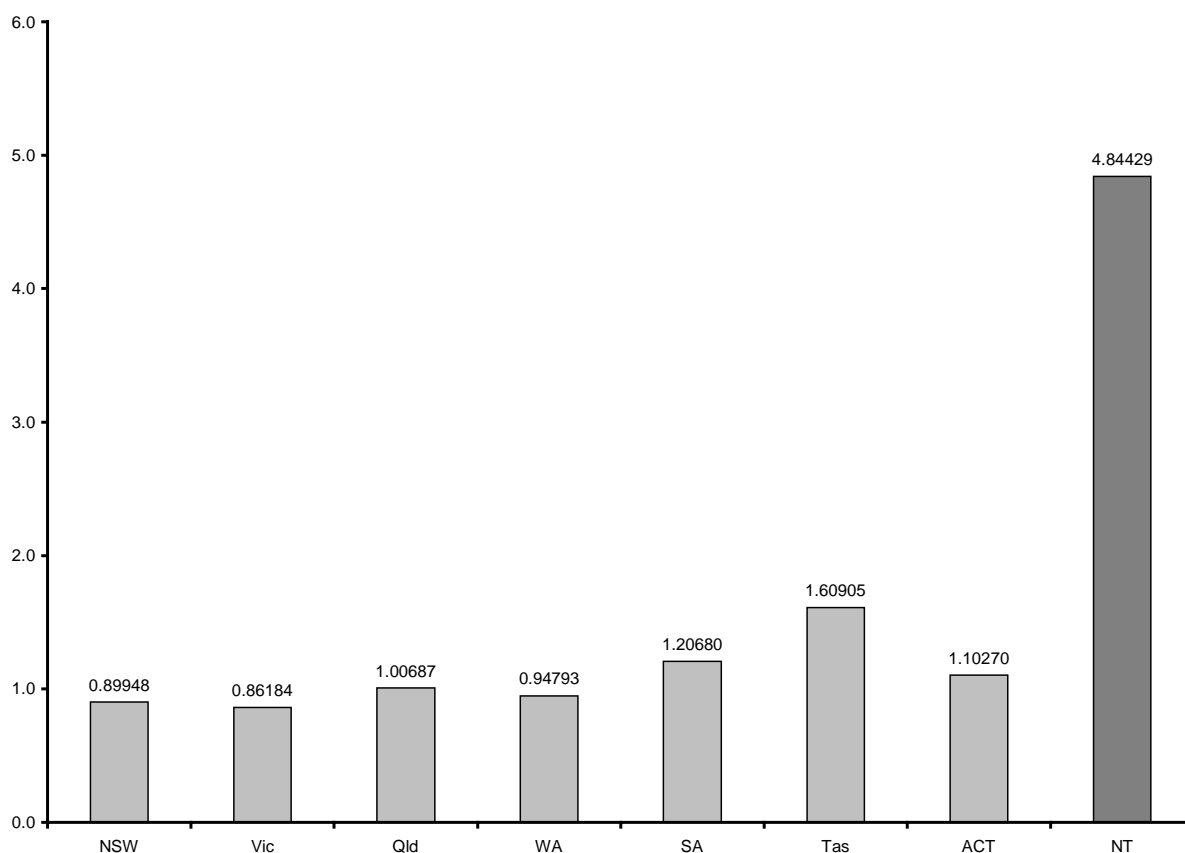


Given that the Territory and local governing bodies are major investors in infrastructure the decline in Commonwealth funding has, not surprisingly, led to a noticeable decline in infrastructure development within the Territory.

The Territory receives annual general revenue assistance from the Commonwealth to assist in meeting its current outlays, the priorities of which are decided by the NTG. General revenue assistance comprises financial assistance grants and special revenue assistance. The level of the financial assistance grants is determined each year at the Premiers' Conference based on the per capita relativities of the Commonwealth Grants Commission (CGC). This allocative process is due to change however with the implementation of the Goods and Services Tax (GST) and the subsequent redistribution of the taxation revenue between the States and Territories.

The CGC determines its relativities upon the principle of horizontal fiscal equalisation which defined simply is the mechanism that provides each State and Territory Government with the financial capacity to provide a standard range of services to its population. In order to do that the CGC must assess each jurisdiction's relative disability against a number of pre-determined factors which include population dispersion, remoteness, revenue bases, etc. Given the demographics, geographic situation and the dispersal of its population, the Northern Territory receives significantly higher per capita assistance than the other jurisdictions.

Table 3: GENERAL REVENUE GRANT RELATIVITIES 1999-2000



Source: NT Treasury

It should be noted that at the present time the CGC does not assess capital payments to the States and Territories as the funding assessed by the Commission is not in itself intended to overcome infrastructure deficiencies between and within the various jurisdictions. The provision of infrastructure through the Commonwealth is primarily covered by other payments, including grants for housing, local government and roads.

In addition, the Commonwealth makes substantial special purpose payments available to the States/Territories primarily to develop and establish national policies. While the operational aspects of the policies are often implemented by the respective States/Territories, the framework is determined primarily by national objectives established by the Commonwealth Government.

1.3 Funding Bodies - Roles and Functions

There is a large number of funding bodies across all spheres of government, together with a range of other agencies, that contribute to infrastructure development on Aboriginal communities. The primary bodies include:

1.3.1 Aboriginal and Torres Strait Islander Commission

ATSIC is one of the most influential funding bodies with respect to infrastructure provision for Aboriginal people living within the Northern Territory, however in recent times a number of programs that were previously administered by ATSIC have been absorbed by other Commonwealth agencies.

ATSIC was formed through the amalgamation of the former Department of Aboriginal Affairs and the Aboriginal Development Commission and formally commenced operations in March 1990. According to its *1996/97 Annual Report*, it is:

..... (the) principal Commonwealth agency operating in the field of Aboriginal and Torres Strait Islander affairs. It is the premier policy-making body, and is responsible for administering a diverse range of Commonwealth programs for indigenous Australians.

ATSIC has four major funding programs:

- economic;
- social and cultural;
- strategic development and support; and
- corporate services

These four programs are then divided into a number of sub-programs, two of which contribute significantly to the development of infrastructure on Aboriginal communities. The Housing, Infrastructure and Health Program injects funds directly into Aboriginal communities through the respective ATSIC Regional Councils, often via local government structures or resource centres, as well as providing funds to the Indigenous Housing Authority of the Northern Territory. This Authority was established in 1995 through a bi-lateral agreement between the NTG and the Commonwealth.

The Employment and Training Program is also important in the overall mosaic of infrastructure provision as it administers the Community Development Employment Program. While not directly aligned with the development of infrastructure it is a significant catalyst to its provision on many communities. The CDEP scheme has been administered by ATSIC since March 1990 and is essentially a program whereby incorporated bodies in Aboriginal communities receive grants, rather than individual members receiving benefits, roughly equivalent to the sum of the unemployment entitlements of the community members. In addition, supplementary funding is also made available to these organisations to cover administrative overheads and allow for the purchase of capital items. This allows communities to establish a workforce that can be deployed on projects ranging from the provision of municipal type services, entrepreneurial activities and infrastructure development and maintenance.

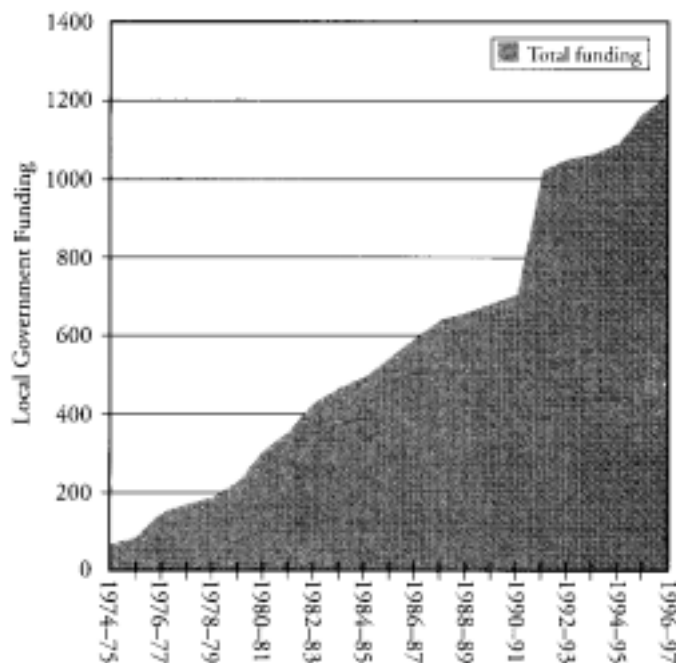
1.3.2 National Office of Local Government

The National Office of Local Government is attached to the Commonwealth Department of Transport and Regional Development and manages key elements of the day to day contact between the Commonwealth Government and the local governing bodies. It assists with the implementation of Commonwealth Government objectives and is the central point of contact for the provision of independent and expert advice on local government from a National perspective.

NOLG’s key responsibilities as they impact on the terms of reference include:

- The administration of the local government Financial Assistance Grants (FAGs) under which around \$1.2 billion per annum are distributed to local governments as untied grants. This figure is inclusive of approximately \$833 million available in general purpose grants and approximately \$370 million in identified road funding. This financial assistance is highlighted in Table 4 (p. 9 National Report).

Table 4: Commonwealth financial assistance to Local government 1974-75 to 1996-97



The general purpose allocation is divided among the States and Territories on a per capita basis and is then provided to the individual councils via their respective Local Government Grants Commissions on the basis of horizontal fiscal equalisation. The identified road grants are provided to the States and Territories on a more obscure formulae that recognises both road length and an element of need.

- The provision of grants under the Local Government Development Program (LGDP) which currently has funding of over \$4 million per annum. The LGDP is designed to improve local government's contribution in areas of national priority including micro-economic reform, urban reform, regional development, environmental management and initiatives that promote fair access to services. It was through this program that pilot programs relating to integrated local area planning were trialed in the Territory.

1.3.3 Northern Territory Department of Housing and Local Government

This Department, that has recently been split into two separate agencies, is a significant provider of funding, advice and financial monitoring of councils from both the housing and local government portfolios. The Department contributes to the IHANT funds on an annual basis with the 1997/98 contribution totalling approximately \$2.0 million. The Department also administers the 'on the ground' delivery of the program once IHANT recommendations have been determined and approved. The Authority is responsible for the provision of Aboriginal housing and associated infrastructure including water, sewerage electricity and road infrastructure.

The Department's local government contribution is also significant and is made through a variety of funding programs that include:

- Operational Subsidy - This subsidy is an untied funding allocation totaling approximately \$14.0m per annum and is made available to the 61 non municipal councils within the Northern Territory. While these funds are not provided specifically for infrastructure development, the untied nature allows the councils, through resolution, to direct funds into areas of greatest need.

The funds are allocated on a per capita basis with an appropriate needs based assessment applied to ensure an equitable distribution of funds across the spectrum of communities that exist in the Territory.

- Minor Community Funding - This funding is made available to newly emerging communities to assist them in the provision of basic municipal type services to their residents. Total annual funding is in the vicinity of \$630,000 per annum. This program supports emerging communities with the intention that when the population reaches a critical mass the community will become a recognised local governing body. A number of the large outstation resource centres are funded under this program. These funds are allocated on a per capita basis with an index applied recognising the relative isolation of the community.
- Capital Funding - This money is provided to non municipal councils to allow them to purchase capital items or develop community infrastructure. The annual program

allocation is in the vicinity of \$2.6m and is distributed on a per capita formula based methodology. To ensure some control over the use of these funds, the Department calculates an indicative grant that is advised to the Council. The Council, upon determining expenditure priorities in line with its proposed budget, seeks departmental approval for the expenditure. Once this is obtained the funding is released.

- **Aboriginal Urban Living Area Funding** - This funding is essentially available to Aboriginal organisations that assist those Aboriginal people who live in 'town camp' facilities in and around the major regional centres. The total program allocation is approximately \$800,000 and is allocated on a per capita basis with recognition for relative isolation.
- **Dump Funding** - This funding is made available to all non municipal councils to assist them with the appropriate management of their garbage collection and dumps. Annual assistance totals approximately \$600,000 and is allocated on a per capita basis with due recognition for the number of dumps a particular council is required to manage.

While some of these funding programs may appear to be peripheral to the issue of infrastructure development, they all have an impact, whether it be through direct project funding or the employment or training of staff to enable projects to be undertaken by these communities.

1.3.4 Northern Territory Department of Transport and Works

The Department of Transport and Works is also a major stakeholder when it comes to the issue of transport and transport infrastructure. This is highlighted in its vision statement from the 'Northern Territory Transport Directions' document, (1997):

A safe, accessible and efficient transport system for all Territorians, which supports the Territory's economic development in a sustainable environment.

It goes on to define the transport system as incorporating road, rail, sea and air for the movement of both goods and people.

This Department currently has the maintenance responsibility for 46 airstrips located at major Aboriginal communities together with a number of additional NT-owned, pastoral and emergency strips located throughout the Northern Territory. In addition, they also maintain the barge landings to all major coastal Aboriginal communities, together with a local road network totaling approximately 16,000 kms. This road network excludes those 11,000 kms of roads that have become the direct responsibility of local governing bodies under the Commonwealth's direct road funding arrangements.

The Department's expenditure in this area is variable depending on the amount of routine, corrective and specific maintenance that is required to be done on these assets in any given year. However indications are that airstrip expenditure is approximately \$1.3m per annum, barge landing expenditure appears to be more variable between \$50,000 - \$200,000 and local roads approximately \$12.3 million per annum. It should be noted that these figures do not include capital works expenditure which has the capacity to significantly inflate these figures in any given year depending on the level of activity.

There are a number of other agencies within the Commonwealth and NTG that assist indirectly in infrastructure development mainly through the provision of training and employment opportunities. The main ones being the Department of Employment, Education, Training and Youth Affairs (DEETYA) and the Northern Territory Employment and Training Authority (NTETA).

Land Councils and a variety of other Aboriginal organisations have also had an impact on infrastructure development primarily through their responsibilities for land management.

1.3.5 Department of Employment, Education, Training and Youth Affairs

The primary role of this agency is to support the Commonwealth Government's efforts to respond to the employment, education and training needs of all Australians with a particular emphasis on youth. In order to achieve this objective it has established a national policy framework involving both the public and private sectors in school level education, higher education, vocational education and training as well as providing assistance for the unemployed to obtain jobs.

The Department administers six programs:

- Schools;
- Higher Education;
- Vocational Education and Training;
- Employment;
- Student, Youth and Aboriginal Education Support; and
- Portfolio Administration and Advising.

The Student, Youth and Aboriginal Education Support Program is primarily concerned with the issue of providing opportunities for increasing the levels of permanent employment for indigenous people in the general labour market. It achieves this through a number of mechanisms including the cross-subsidisation of mainstream programs to meet the needs of Aboriginal clients. A number of notable examples of such cross-subsidisation have occurred within the Territory including the joint Commonwealth/NTG strategic roads project; the current training support for the Commonwealth Health Infrastructure Priority Projects (HIPP); and the further work being undertaken as part of the National Aboriginal Health Strategy (NAHS).

1.3.6 Northern Territory Employment and Training Authority

This Authority provides an avenue through which the various employment sectors within the Northern Territory can make their training needs known to ensure that valuable resources are not being expended in areas of little value. As the Authority comprises representatives from a wide cross-section of the community, it attempts to ensure that all training needs are identified, available and accessible.

The Authority runs a number of programs, with the one most relevant to this study being the Regional and Remote Areas program which provides information and support regarding training to communities (many of them Aboriginal) and regional centres. The Authority has

been well utilised by the local government industry for the training of its elected members and key staff as well as providing training for community residents when the opportunities arise.

CHAPTER 2 - MAJOR ISSUES

During the course of the review there were a number of issues raised which related directly to the provision of infrastructure on Aboriginal communities. There were, however, a number of related issues, the majority of which are not addressed in the Terms of Reference, but have been raised in submissions or evidence provided to the Committee. As mentioned in Chapter 1, a number of these issues are outside the jurisdiction of the PAC, or even the NTG for that matter, however the Committee felt that if the issue of infrastructure provision is to be seriously addressed, these issues should be considered.

2.1 Inter-governmental Responsibilities

One of the most disturbing findings of the Committee was the level of duplication exhibited by a number of service providers, particularly on remote Aboriginal communities. This situation appears to have arisen through a combination of a number of factors, some largely historical, others of a policy orientation. However, quite clearly there is significant evidence, both documented and observed during the course of this review, which leads the Committee to the conclusion that there is a significant and detrimental blurring of inter-governmental responsibilities. This is particularly evident between the NT Government and the Commonwealth Government in the servicing of its Aboriginal residents.

The Memorandum of Understanding (1978) that was signed at the time of Self-Government alludes to the source of this confusion:

The overall responsibility for policy, planning and coordination in respect of Aboriginal affairs will remain with the Commonwealth Government which may provide finance for special measures to assist the Aboriginal people of the Northern Territory as appropriate. However, a considerable part of present expenditure in the Territory on various other functions which are to be transferred, is directed towards Aboriginals in that a relatively high amount per capita is spent on them. Rough figuring indicates that the total amount so spent in 1976/77 was of the order of \$25m.

In the main, allowance for continued relatively high per capita expenditure on the Aboriginal people of the Northern Territory will be made by means of normal general purpose and specific purpose Commonwealth assistance provided to the Northern Territory Government (p. 12).

This division of responsibility between the two spheres of Government has led to a significant dilution of funds through facilitating and encouraging the duplication of many aspects of service delivery incorporating administration, and purchase and maintenance of plant and equipment. This was graphically highlighted at the community of Ramingining where both the outstation resource centre and the Council had dual administrative structures, workshops, petrol outlets and an over-supply of plant and equipment given the minimal road works on and around the community. This community services a population of approximately 530 people.

This is not a problem unique to the Northern Territory but is certainly significantly exacerbated through the existence of the Memorandum of Understanding. In Western Australia, the Aboriginal Affairs Legislative Review Reference Group highlighted in its report (1997) that although a considerable effort was being made by a number of State and Commonwealth agencies to redress the inadequacy of services to Aboriginal communities

success was minimal. The primary reasons identified for this included inadequate coordination of programs that are afforded low agency priority and are often *ad hoc* requests rather than integrated into longer term strategic planning objectives. The report also pointed out that they were also handicapped by a lack of clarity as to the agreed responsibilities of each level of government relating to service delivery and funding.

To appreciate the magnitude of the problem from a Territory position, the historical perspective as to how these service delivery mechanisms and organisations were established must be considered. Mr Beadman, Secretary of the Department of Housing and Local Government, provided a very concise summary of the events that occurred around the time of Self-Government when he appeared before the PAC on Monday, 7 September 1998.

Mr Beadman advised the PAC that in the lead up into Self-Government, the then Chief Minister refused to sign documents until he had agreement from the Commonwealth to transfer responsibility for Aboriginal essential services to the Territory Government. He advised the Committee that he was working with the Commonwealth at that time and was in fact working in Darwin, so he has a very clear recollection as to the events. The rationale behind the stand by the Chief Minister was that if the Federal Government had responsibilities solely for funding services in Aboriginal communities and the Territory Government had the responsibility for all other communities, it could well lead to disparity in the levels of development and could forge racial overtones across the Territory. He states:

I think that was readily accepted by the Commonwealth, who agreed to give the Territory Government that responsibility. At the time, essential services were defined as power, water, sewerage, roads, barge landings and airstrips. So from 1 July 1978, the Territory Government had that responsibility.

In late 1979, early 1980, the Territory Government mounted a case for the transfer of responsibility for town management of public utilities - it was called then - which was the recurrent funding, really, for the operation of remote community councils, with a concurrent transfer of staff and administration dollars from the Commonwealth. That is a pretty clear recollection too, because I was taking up duty in Alice Springs for the Commonwealth at that time and losing some of the staff that I imagined I was going to strongly rely on. They went across with that function (p. 3, Transcript of evidence).

The most telling point Mr Beadman made to the Committee was that the Commonwealth Government expressly withheld responsibility for funding of outstations and for Aboriginal housing. He stated:

For some years, I think, the purity of the line between Territory government responsibilities and Commonwealth government responsibilities was maintained. What changed that, I think, was the advent of the Aboriginal Development Commission [ADC] in middle 1980, with a group of appointed Aboriginal people on board. That commission, having some arms-length decision-making from the government, and a propensity for that Commission to get impatient with the way things were happening on the ground. ...

The ADC on occasion, believed that that was unreasonable and moved in with the money for the provision of a water supply or a power supply, or what have you. The lines between governments had become blurred from that time onwards. The ADC, of course, along with the Department of Aboriginal Affairs, was consumed by the Aboriginal and Torres Strait Islander Commission, again a body that is at arms-length from government decision-making. I think we

have seen that tendency continue. If there is a judgment made by Aboriginal people in authority that the wait is unconscionable, then they will move in and fund such works, notwithstanding the earlier agreements as to which government was responsible (pp. 3-4, Transcript of evidence).

It is noted that the Australian Aboriginal Affairs Council (AAAC), in its report of 30 August 1991, appeared to recognise a number of the issues that have been raised in relation to inter-governmental responsibilities. It makes three very pertinent comments:

- Where shared responsibility is the outcome, in addition to their policy interests, the States would generally have a dominant role in managing service delivery;
- In these cases, the principle should be that the Commonwealth's involvement in the operational management of the program is reduced to the greatest possible degree consistent with ensuring that national objectives are met. Commonwealth objectives should be consistent with national objectives and limited to them; and
- The clearest model for joint responsibility programs would involve defining the outcome required and assigning responsibility for delivery to one level of government, thereby providing for direct accountability against program outcomes.

The AAAC report attempts to get to the crux of the problem relating to service delivery to Aboriginal people. It was this report that led to the 1990 national commitment to improved outcomes for Aboriginal people. A key strategy in this report was the establishment of bilateral agreements to address issues specifically where there were dual responsibilities between levels of government relating to service delivery. In the Territory to date however, only one bilateral agreement has been entered into as a result of this national commitment, and this agreement addresses issues relating to the coordinated provision of housing and related infrastructure.

The Committee firmly believes that, within the Northern Territory, the broader issue of overall responsibility for service provision to all its constituents needs to be examined and resolved. This would allow for the development of an agreed framework and plan for the provision of a broad range of services with the appropriate financial resourcing. It would then be up to the respective government agencies, both inter- and intra-government, to provide the operational framework to ensure that specific services were being provided in a cost effective and timely manner. It is somewhat ironical that this concept has been discussed, debated, documented and generally agreed upon many times over the last decade however little progress has been made to bring this ideal to fruition.

This is no more graphically highlighted than in the 'National Commission of Audit Report' (1996) to the Commonwealth Government that stated:

Responsibility for programs for indigenous people is widely dispersed and generally is a supplement or substitute for spending in the mainstream program. Table 4.2 on page 60 of the report (at Attachment C) indicates the areas where specific Commonwealth program spending on services for Aboriginal and Torres Strait Islanders occurs and the areas where there are significant competing or complementary State programs. Commonwealth spending on programs specifically directed to indigenous clients (an estimated 238,000 people in the 1991 census) has grown from \$484 million to \$1,625 million over the past decade at a real average annual rate of 12%. The supplementary nature of the programs complicates lines of

responsibility and accountability for outcomes. The need for greater efficiency and effectiveness in delivery of services to Aboriginal and Torres Strait Islanders is broader and more pervasive than that arising from overlap and duplication in the States.

The report goes on to say:

- The division of responsibility and absence of effective coordination and monitoring can mean that no single person, organisation or government is completely accountable for results.
- The current mechanisms for cooperative planning and priority setting between the Commonwealth and the States are not working effectively. They overlap or compete in ways that confuse their clients and which make it hard to determine their overall effectiveness.
- Improvements in planning, priority setting and service delivery will only come about if the Commonwealth and the States agree on certain principles of governments which guide their roles. Two key principles are self-determination and self-management. Agreement on which they mean in the context of service delivery is required. Agreed principles would provide a framework under which appropriate public management approach could be adopted.

The Committee believes that in order for meaningful improvement to be achieved in this area, an integrated approach to service provision is required. This would facilitate governments agreeing to funding arrangements under a bilateral agreement as opposed to the present system of partial division of responsibility between the State and Commonwealth governments relating to the size and nature of communities.

While bilateral agreements have been negotiated to great effect with the Commonwealth in the past, these have been used to resolve issues of a specific nature such as housing. The Committee sees an urgent requirement for a much broader over-arching agreement specifically identifying the respective responsibilities of the Commonwealth and the Northern Territory Governments.

The issues that could be encompassed within such an agreement include:

- the development and endorsement of a long term plan relating to service provision and establishment of Aboriginal communities with implementation and priorities tied to the agreed financial capacities of the respective governments;
- agreement as to the respective policies to be implemented in relation to the level of servicing that are going to be provided to all Aboriginal communities in accordance with the abovementioned plan;
- agreement to the respective responsibilities of the Commonwealth, Territory, local government authorities and Aboriginal organisations regarding the funding of services including the identification of mainstream programs funded by State and local governments;

- identification of funding an ongoing three year cycle to be provided by each government having regard to mainstream services provided by each government external to the agreed program; and
- identification of funding avenues proposed for the ongoing establishment and servicing of Aboriginal communities.

This would determine the extent to which Commonwealth funds would be provided through ATSIC or through specific purpose grants to the State or Territory Governments in line with the increased responsibilities it had accepted under the bilateral agreement. While the Committee is in no doubt as to the complexity of negotiating such an agreement, it is unanimous in the fact that until such agreement is put in place or until Statehood is achieved, the situation on Aboriginal communities will continue in a state of flux.

RECOMMENDATION 1.

The Office of Aboriginal Development initiate discussions that will broker an overarching agreement identifying the respective responsibilities of the Commonwealth and Northern Territory Governments regarding Aboriginal people. This agreement should encompass:

- **endorsement and implementation of an approved plan with appropriate financial resourcing;**
- **agreed policy position on the level of servicing to large and small communities;**
- **clear identification and agreement to funding sources both Commonwealth and NTG; and**
- **clarification of the respective responsibilities of all spheres of government as to the funding of services.**

2.2 Coordination of Funding Providers/Service Deliverers

During the Committee's travels, the members became acutely aware of issues relating to coordination. While the coordination issue between the Northern Territory Government and the Commonwealth Government has been discussed earlier in this report, it would also appear as though increased communication could occur between Northern Territory Government agencies relating to infrastructure development, funding provision and the letting of contracts. A number of communities advised of situations where contractors had arrived to work in their region only to be followed within weeks, or possibly months, by other contractors bringing similar plant and equipment out to the same area. This lack of coordination effectively eroded any potential economies of scale that could be generated through greater coordination and planning of these projects.

While it appears that there is a mechanism at management level to achieve this coordination through the coordination committees set up in each region, there is no evidence that could be seen by the Committee that this coordination is then devolved down to the operational level. It would appear appropriate that a role be created for a central agency to ensure that lines of communication with other government agencies are kept open and information is continually fed to the communities regarding decisions involving aspects of community management.

While the Department of Local Government's (DLG) community development officers undertake this role to a certain degree, it would appear that there is room for expansion in them becoming the key linkage between the community managers and the various contact points of Northern Territory Government agencies.

RECOMMENDATION 2.

The Department of Local Government consider the appropriateness of expanding the community development officer's role to incorporate intra agency coordination responsibilities where agency activities impact on Aboriginal communities and/or the respective local governing bodies.

Another significant issue that was raised in relation to this was the configuration of the contracts and the desirability to have them broken down and tendered for in sections. This allows the community to undertake certain works for which it has the plant, equipment and necessary skills and thereby generate employment and training opportunities within the community.

Mr Nick Oliver, Town Clerk, Areyonga Council, advised the Committee of a contract that was recently let for the construction of a power station on the community. The contract was won by an Alice Spring-based firm and according to Mr Oliver there was no opportunity given to the community to tender for various components of this contract. The issue reached a head when Mr Oliver advised of a council decision to revoke all the permits for the contract employees unless the community was given an opportunity to tender for components of the job that it felt it had both the machinery and the expertise to complete. As a result of this rather blunt approach, the community was offered the contract to undertake the basic earthworks for the formation of the pad, the digging of trenches for the laying of the cables, and the fencing of the compound. This generated a profit to the Council of \$75 000. The Committee also heard of a similar incident at the Numbulwar Numburindi Community Government Council where contractors came out and poured new concrete over the existing barge landing with the Council having little or no prior knowledge that this work was to be undertaken.

As the finishing of concrete work for a barge landing has to be 'rough' for traction purposes, this is clearly one contract that could have been undertaken competently by the Numbulwar Numburindi Community Government Council.

Accordingly, it begs the question as to why they were not given the opportunity to tender for this particular job. Given the makeup of local government in the Northern Territory, it would seem highly appropriate to put in place any mechanisms that can develop some economies of scale in the development of the infrastructure. The Committee strongly believes that a greater effort in coordination of these activities and advice to communities should be a high priority and should be coordinated through a central agency or contact point. Again it would appear that there is a role for the expansion of the current responsibilities of the Department of Local Government's community development officers.

The fact that most communities will require major infrastructure construction for many years means that there will be significant potential opportunities for employment in these activities for local Aboriginals. This is particularly highlighted through the current HIPP/NAHS

projects, which have been undertaken throughout the Northern Territory and have provided a number of employment and training opportunities to Aboriginal people. Participation in such activities is determined by the Aboriginals' willingness to be employed in construction and the attitudes of construction contractors to Aboriginal labour. A further key factor revolves around the configuration of the contracts tendered to ensure and encourage maximum tendering opportunities from Aboriginal organisations. There have been loud calls by such organisations over recent years that construction contractors in Aboriginal communities be required to use local labour and the extent to which this occurs has varied significantly between communities.

2.3 Appropriateness of the Current Local Government Structures for Remote Area Governance

Local government within the Northern Territory consists of 68 local governing bodies, comprising 6 municipal councils, 32 community government councils and 29 association councils, together with the town of Jabiru, which is classified as a special purpose town. With the notable exception of Darwin, Katherine and Alice Springs, their populations range from 200 to 3000 people. Table 5 highlights the wide population variance of the recognised local government areas throughout the Northern Territory.

Table 5 - Population (including Related Service Populations)

Name	Calculated Populations			3 Year Average Pop	0/Stat Pop	Adj'ed Pop	Tourist Pop	Total
	30.6.96	30.6.97	30.6.98					
Alice Springs Region								
Aherrenge	250	323	320	298	140	70	0	368
Alice Springs	26,212	26,979	27,519	26,903	0	0	1,492	28,395
Amoonguna	222	230	235	229	65	0	0	229
Anmatjere	1,356	1,356	1,400	1,371	0	0	5	1,376
Aputula	271	288	273	277	29	29	0	306
Areyonga	241	256	256	251	0	0	0	251
Arltarlpilta	230	230	275	245	0	0	0	245
Ikuntji	160	160	219	180	59	0	0	180
Imanpa	160	126	120	135	0	0	0	135
Kaltukatjara	290	283	350	308	0	0	0	308
Ltyentye Purte	565	565	573	568	0	0	0	568
Ntaria	600	600	570	590	38	0	0	590
Nyirripi	300	300	298	299	8	0	0	299
Papunya	366	306	266	313	35	18	0	330
Tapatjatjaka	196	187	191	191	2	0	0	191
Urapuntja	806	860	880	849	0	0	0	849
Wallace Rockhole	146	160	160	155	0	0	5	160

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Walungurru	550	490	400	480	0	0	0	480
Watiyawanu	280	280	280	280	70	0	0	280
Willowra	416	426	436	426	15	0	0	426
Yuelamu	162	182	210	185	102	77	0	261
Yuendumu	1,178	1,178	1,110	1,155	0	0	0	1,155
Yulara	1,000	1,000	Nil	Nil	Nil	Nil	Nil	Nil
SUB TOTAL	35,957	36,765	36,341	35,688	563	194	1,502	37,382
Tennant Creek Region								
Ali Curung	450	450	450	450	0	0	0	450
Alpurrurulam	500	498	700	566	0	0	0	566
Elliott District	594	594	650	613	0	0	4	617
Tennant Creek	3,800	3,808	3,800	3,803	200	50	100	3,953
SUB TOTAL	5,344	5,350	5,600	5,432	200	50	104	5,586
Darwin Region								
Belyuen	240	240	250	243	0	0	0	243
Coomalie	1,351	1,421	1,472	1,415	0	0	41	1,456
Cox Peninsula	231	261	264	252	0	0	2	254
Darwin	70,515	70,515	71,079	70,703	0	0	1,476	72,179
Jabiru	1,733	1,823	1,880	1,812	0	0	150	1,962
Kardu Numida	1,850	1,910	1,910	1,890	88	22	0	1,912
Kunbarllanjja	900	980	1,010	963	250	63	2	1,028
Litchfield	13,014	13,241	14,400	13,552	0	0	40	13,592
Maningrida	1,270	1,270	1,700	1,413	550	66	2	1,481
Milikapiti	480	480	498	486	18	0	1	487
Minjilang	221	218	209	216	38	0	0	216
Naiyu Nambiyu	443	461	441	448	0	0	2	450
Nganmariyanga	327	338	341	335	60	15	0	350
Nguiu	1,272	1,375	1,400	1,349	0	0	4	1,353
Palmerston	13,297	14,810	16,569	14,892	0	0	0	14,892
Peppimenarti	214	260	248	241	173	50	0	241
Pirlangimpi	335	335	335	335	0	0	0	335
Warruwi	365	365	350	360	15	15	0	375
SUB TOTAL	108,058	110,303	114,356	110,905	1,192	231	1,720	112,806
East Arnhem Region								
Angurugu	870	815	810	832	135	68	0	899
Galiwinku	1,000	1,329	1,404	1,244	534	176	0	1,421
Gapuwiyak	859	859	969	896	225	56	0	952
Marngarr	273	319	329	307	16	8	0	315
Milingimbi	840	850	754	815	187	22	0	837
Milyakburra	150	200	235	195	15	15	0	195

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Numbulwar								
Numburindi	928	1,095	1,050	1,024	155	0	0	1,024
Ramingining	402	452	512	455	382	76	0	532
Umbakumba	400	470	450	440	60	20	0	460
Yirrkala Dhanbul	800	800	800	800	300	60	0	860
SUB TOTAL	6,522	7,189	7,313	7,008	2,009	501	0	7,495
Katherine Region								
Barunga								
Manyallaluk	482	500	500	494	0	0	1	495
Binjari	183	223	250	219	0	0	0	219
Borrooloola	800	810	810	807	280	42	17	866
Daguragu	525	645	675	615	29	15	1	631
Gulin Gulin and								
Weemol	300	320	320	313	203	0	0	313
Jilkminggan	185	180	181	182	0	0	0	182
Katherine	10,518	10,660	10,928	10,702	0	0	485	11,187
Lajamanu	1,018	1,028	1,081	1,042	68	34	0	1,077
Mataranka	237	237	277	250	0	0	92	342
Pine Creek	649	659	492	600	0	0	14	614
Timber Creek	200	224	234	219	0	0	60	279
Walingeri								
Ngumpinku	379	409	434	407	29	0	0	407
Wugularr	634	634	511	593	0	0	0	593
Yugul Mangi	1,239	1,434	1,489	1,387	0	0	0	1,388
SUB TOTAL	17,349	17,963	18,182	17,830	609	91	670	18,593
TOTAL	173,230	177,570	181,792	176,863	4,573	1,067	3,996	181,862

Community government councils are set up under the Northern Territory *Local Government Act* which allows the councils to be established with the degree of flexibility to cater for particular Aboriginal cultural and traditional practices. The size of the council is determined by the community to allow for adequate representation of appropriate clan groups. The voting mechanism is also decided by the community and can range from the more standard ticking of ballot papers through to the more unique dropping of stones in a tin bucket to indicate who is the preferred candidate. It is also possible to have various wards within a community government scheme that further ensures the adequate representation of traditional owners and various clan groups that may live within the community.

Under the current guidelines, there is no stated restriction on the size of a community that may become a community government council. However, the rule of thumb appears to be a minimum population of approximately 200-250 people. The mechanism for becoming a community council is firstly the collection of 10 signatures from community residents to be submitted to the Minister responsible for Local Government requesting a council be formed. This action then initiates a number of steps including extensive community consultation that more often than not culminates in the formation and gazettal of a community government

council. The process is often time consuming to ensure that all the community fully understand the obligations of community government and the advantages of developing such a structure within their community.

Over the last 10 years there has been a sizeable increase in the number of community governments formed within the Northern Territory. Given that these councils are heavily reliant on government funding, and a large number have populations less than 400 people, this has caused a number of concerns in relation to the adequate financing of these local government structures. The small size and remote location of the majority of groups has led to enormous diseconomies of scale in some areas of the administration and delivery of services (e.g. road maintenance). Low population bases impact adversely on their structural, as well as their financial viability. As a consequence, they require a disproportionate amount of funding, on a per capita basis, when compared to large councils.

These structural inefficiencies are also significant in relation to human as well as economic resources. The human resource pool from which potential community leaders and appropriately trained staff can be drawn is understandably small. Attracting high calibre staff and retaining their services is increasingly difficult in today's competitive employment environment.

A further concern is the proliferation of 'association' councils incorporated under the Northern Territory *Associations Incorporation Act*. This Act was predominantly enacted for the purpose of incorporating community organisations and sporting groups against individual liability and therefore sits uncomfortably in the sphere of local government. There is no defined geographical area for these councils, nor do they have any power to enact by-laws or have any revenue raising power for levying rates and charges. An 'association' council has no Government mandate and is at best a second rate method of representation and management with an inappropriate legal status. However, there are still 29 of these structures within the Northern Territory providing local government services to a significant number of Aboriginal communities.

Despite community government's overall success as both a service provider and employer for many people living on remote communities, it has had its share of detractors, with the major resistance to community government coming from the Central and Northern Land Councils. This resistance has contributed to the current duplication of services with often resource centres or other service providers within the community working independently of community government councils, and in some cases association councils, for the provision of services to both community residents and outstation residents. The arguments that perpetuate this situation have been many, but in essence the major one is that there is an intractable rift between the outstation residents and many community residents that would not allow one service delivery body to provide an equitable and appropriate level of service to both groups of people. This is of concern to the Committee as there are already a number of examples where such a service delivery model is in operation. The most notable would be the Anmatjere Community Government Council.

The Northern Territory Government is working towards community government structures taking on responsibility for surrounding outstations and therefore avoiding significant duplication of administration and purchase of plant, equipment and stock. It is recognised, however, that this arrangement could be less than successful due to the often strained relations

between outstation dwellers and residents of major communities. The Committee is of the view, with some lateral thinking and the existing flexibility within the *Local Government Act* allowing for the formation of community government structures, that this problem would be far from insurmountable.

This optimism was shared by Turner (1986) who stated:

Community government is a means of resolving much of the disruption Aboriginal people are experiencing in their traditional culture as a result of European contact, which in turn accounts for much of the crime and delinquency current in Aboriginal communities.

Community government is also a means to the economic advancement of Aboriginal people as well as the appropriate funnel through which to channel essential services.

The outstation's function is one which would readily devolve to community government councils, particularly where the community government council area encompasses the larger land trusts in which outstations are located.

Turner's concept was also supported in the report *Return to Country* where it was stated:

The community government council structure for funding a regional area has some advantages over the existing separate structures of major community councils and outstation resource organisations although it also raises significant problems as is discussed below. A community government structure would allow the sharing and pooling of facilities, administrative support and services across the region, thus decreasing administration costs overall. It would recognise the mobility of Aboriginal people between community and homeland centres and that population should therefore be seen on a regional basis. It would also allow priorities of funding as between the community and outstations to be decided at the local level (p. 120).

There were, however, a number of detractors to the concept of encouraging community government councils to become the primary service deliverer to major communities and their associated outstations. The Northern Land Council in its submission to *Return to Country* stated:

People live on outstations because they want to be their own bosses. Incorporation into community councils would be felt to compromise this position in a significant number of cases. The system for determination of community government areas proposed by the Northern Territory Government is such that outstations could be included into community government areas against their wishes. Although the system requires a plebiscite, outstation views might be overridden in cases where there is a large population in the central community voting for inclusion of outstations (p. s1565, Transcript of evidence)

Jon Altman also contributed to the debate in his transcript of evidence (p. s1835) where he expressed concern about the effect of the community government proposal on outstations. He proffered the opinion that such an initiative would undermine the political autonomy outstation groups had sought by moving from the major communities, with outstations being dominated by community government councils controlled by traditional owners of the major communities.

In the current economic climate all governments are looking to achieve greater efficiency, greater effectiveness and reduced overall expenditure for the provision of services. It is

therefore unacceptable to have the level of duplication in service delivery that is currently exhibited in the provision of local government services to Aboriginal people on the premise of political autonomy and incompatibility of a number of clan groups. What makes this argument even less credible is the fact that under the community government scheme there is the provision to ensure that all these groups, regardless of the locational aspects of their residents, can achieve equal and equitable representation in a local government environment.

The Committee believes that while there may have been valid reasons for the dichotomous service delivery arrangements when the outstation movement was gaining momentum, there is significant doubt as to the validity of continuing to provide services in such a fragmented manner.

RECOMMENDATION 3.

The Department of Local Government, in partnership with the Office of Aboriginal Development and ATSIC, work with communities and relevant organisations to rationalise the current service delivery roles and functions of resource centres and recognised local governing bodies, etc. Options that may be considered include:

- **increasing efficiency through coordination with existing organisations to provide a better service delivery;**
- **retention of both organisations, however direct funding through the local governing body with the resource centres operating through a service level agreement (Purchaser/Provider model);**
- **seek amalgamation at local level, e.g. at resource centre and community council; and**
- **creation of regional administrative structures, e.g. shires.**

The Department of Local Government is already addressing on a more global basis issues relating to the broad rationalisation of service delivery structures through its local government reform agenda. It is through this agenda that they are looking at means of rationalising the number of local governing bodies within the Northern Territory and a number of strategies have been suggested by them to date. These include:

- promote the incorporation of the total Northern Territory land mass into local government areas under the Northern Territory *Local Government Act* by the year 2010;
- pursue options for councils to consider resource sharing and/or amalgamation into more viable units to achieve increased effectiveness and efficiencies;
- develop agreed criteria for the creation of councils including those that ensure ongoing financial and resource viability;
- develop a rationale and incentive package to encourage and promote amalgamation of councils; and
- that by the year 2005, all 'association' councils will move to community government status under the Northern Territory *Local Government Act* in order to be eligible for local government funding.

While the Committee notes these initiatives, it can see some difficulty in the promotion of full incorporation within the Northern Territory. It is, however, interesting to note that the Reeves Report recommends that the Northern Territory should be divided into 18 regions determined along language groups. The Committee also notes that the large land councils are in the process of establishing a decentralised structure.

There is little doubt there would be a number of advantages to local government in pursuing a rationalisation of boundaries. Firstly, it would achieve the stated aim of fully incorporating the whole of the Northern Territory land-mass which would have the benefit of increasing the rates base for many councils. Secondly, it would generate economies of scale with these large overlaid regional structures being the recipient of grant funding commensurate with their area and population and then devolving funding down to the individual community levels on possibly service level agreements. An appropriate regional local government structure could facilitate adequate representation by the traditional owners and oversight the equitable provision of funds and adequate service level provisioning to all constituents within the region whether they are community-based or outstations residents.

CHAPTER 3 - TERM OF REFERENCE 1(A)

The 1993 decision of the Commonwealth to transfer local roads responsibility and funds to community government, and the impact of that decision

3.1 Determination of the Interstate Road Funding Pool – An Historical Perspective

The first road grants in 1922 were distributed between the States (excluding the Territory) using a simple per capita formulae. This formulae was revised in 1923 giving population a weighting of 60% and area a weighting of 40%, with Tasmania receiving a fixed 5% share of the pool. A third amendment was to be adopted taking into account the number of registered vehicles in each State, all three components were weighted equally.

In 1969, a further method was recommended based on the calculation of the economic returns to be gained from the investment across the whole road network in each of the States. This calculation was based on a major survey of road conditions combined with an appropriate cost/benefit analysis, and would have fixed the State and category distributions simultaneously. In terms of categories, a major redistribution was recommended from rural to urban roads. If adopted, the recommendations would have produced a significant consequential inter-state redistribution, with large losses to Western Australia, South Australia, Tasmania and the Northern Territory.

The Commonwealth decided on compromise between the new and the old formulae, averaging the two outcomes in the actual distribution and providing temporary supplementary grants for Western Australia, South Australia and Tasmania to ease the transition. During the 1980s, the shared arrangements remained close to the 1977/78 distributions. The Northern Territory was included as a Commonwealth road grant recipient from 1980/81, with part of the funds formerly incorporated within the Commonwealth's Northern Territory budget being identified as road grants. Like other States the grants were identified in essentially three categories: national highways; major arterial roads; and local roads. In determining the State/Territory shares, the Cameron Committee calculated the average population, road length and vehicle numbers for the years 1983 to 1985, and notionally allocated shares on the pre-1969 formula.

Changes in the shares going to the States and Territories in the recent past have occurred partly as a result of a greater allocation to projects based on 'national' priorities. These priorities have been influenced by economic evaluations and by the general framework of policy – for example, a focus on improving road links to major export ports. The 1990 black spots and provincial cities and highways funds were allocated purely on a project basis, with no reference to State shares.

3.2 The Local Road Conundrum

In the Northern Territory, roads are classified as National highways, state arterial or local roads. National highways comprise the Stuart, Barkly and Victoria Highways in the Northern

Territory. They form part of the national highway system that connects the major centres of economic activity ~ that is, all the State and Territory capitals throughout Australia. This network of 2,697 kms is the total financial responsibility of the Commonwealth.

State arterial roads provide secondary interstate links and the principal regional access across the Territory. These roads include the rural arterial of the Arnhem, Kakadu, Carpentaria, Tablelands, Plenty, Tanami and Buchanan Highways and the urban arterials in Darwin and Palmerston, such as the Stuart Highway, Bagot Road, McMillans Road and Tiger Brennan Drive. They comprise 2,900 kms and are the management and financial responsibility of the Northern Territory. All other roads are designated 'local roads'.

Up to 1994, the Northern Territory Government maintained all local roads in the Territory other than those managed by the seven municipal councils: Darwin, Katherine, Tennant Creek, Alice Springs, Litchfield, Palmerston and Jabiru. This network comprised 22,190 kms including approximately 8,020 kms of roads on Aboriginal land.

By Commonwealth Government definition, local roads include all roads that are not national highways or state arterial roads. These include those of vital economic significance to the Territory for tourism, mining and primary industry, as well as those that provide regional and community access. It is important to appreciate that these road lengths are not static. They continue to grow as new communities are established or new local developments are put in place. It is an ever expanding network which is no better highlighted than observing the Aboriginal outstation movement within the Northern Territory and the associated infrastructure which is required to cater for this movement.

In 1990, at a Special Premiers' Conference, there was agreement reached that stated:

Funds for local roads will also be untied and paid at the same real level as at present to local governments, or to State Governments when they are responsible for local roads, via general purpose grants.

During the 1991/92 financial year, the Commonwealth Government took the decision to pay local road funding directly to all 59 recognised local governing bodies within the Northern Territory. This decision was made irrespective of the fact that other than the seven councils already receiving road funding, all of the local roads within the Northern Territory were under the management responsibility of the Northern Territory. This decision, in itself, was inconsistent with the 1990 Special Premiers' Conference agreement.

The non-municipal pool of approximately \$4.1m was determined by the Commonwealth on the fact that there were approximately 8,000 kms of roads located on Aboriginal land including internal community roads, access roads to communities as well as an additional 170 kms of roads based in non-Aboriginal Community Government Councils. The Grants Commission database, as of 1996/97 clearly indicates that the local government road lengths within the Northern Territory is now approximately 11,000 kms and not the 8,000 kms on which this calculation was originally based.

While the intent of directing road funding through to the councils was honourable, clearly over the passage of time it may have been erroneous in its judgement. The receipt of this funding allowed Aboriginal communities and Aboriginal decision-makers greater control over

the application of these funds and with it increased Aboriginal self-determination. However, there is evidence that the decision has brought about a number of problems which are currently highlighted through a general degradation of the local road assets within the Northern Territory. Some of the major areas of concern that have been identified since the direct road funding arrangements were implemented include:

- appropriateness of the current funding arrangements in the Northern Territory context;
- lack of technical and financial expertise on many communities to manage the responsibility;
- lack of clarity on the legal responsibility and liability relating to local road maintenance on Aboriginal land;
- transfer to local governing bodies that are not incorporated under the *Local Government Act*;
- accountability issues due to the untied nature of the funding;
- erosion of the capacity to achieve economies of scale;
- a revenue issue, as government funding is insufficient to adequately maintain the road network, however there is little capacity for own source revenue;
- lack of coordination within all spheres of government to maximise resource utilisation relating to infrastructure provision;
- transfer of appropriate funding when responsibility for particular community infrastructure is transferred from one sphere of government to another; and
- Commonwealth recognition of the financial issues associated with a rapidly expanding and upgraded road network, much of which has been developed as a result of the Commonwealth Government's outstation policy.

3.3 Appropriateness of Current Road Funding Arrangements

The development and maintenance of a local road infrastructure within the Northern Territory is of paramount importance. The quantum of funds provided to the Northern Territory, initially in 1980/81, was a component of the funds formerly incorporated within the Commonwealth/Northern Territory budget. What is not known is the adequacy of that level of funding (at the time that it was identified) as the Territory's road grant under Self-Government arrangements. Although there appears to be a lack of information to adequately assess the appropriateness of that allocation, the fact remains that as the funds were made available to the Northern Territory Government, there was an opportunity for development of economies of scale. These economies offset to some degree any deficiency in the original funding allocation impacting on the Territory's ability to adequately maintain and develop the road network.

With the Special Premiers' Conference decision to allocate funds directly to the local governing bodies where they had a responsibility for road maintenance, the capacity of this funding to generate effective and efficient road maintenance practices was significantly reduced. More importantly however is the adequacy of the eventual \$4.1m (that was identified by the Commonwealth Government) to be on-passed to the local governing bodies through the Northern Territory Local Government Grants Commission.

While it is not clear how the Commonwealth determined this level of allocation, one fact that is agreed upon is that it was based on a local road network of approximately 8,000 kms located on Aboriginal land. This was combined with the lengths of those roads within the boundaries of the remaining open towns excluding the municipalities within the Northern Territory. Time, and extensive research and data collection done by the Local Government Grants Commission, now shows that that original network was more in the vicinity of 10,000-10,500 kms and has now expanded to over 11,000 kms. This is mainly due to the extensive growth of the outstation movement over the last 10 years, together with the fact that a number of other roads existed that had not been recognised on the Transport and Works database at the time of the hand-over.

Compounding this is the fact that these funds were provided primarily for maintenance purposes and presumably on the assumption that the councils who were in receipt of these funds have the capacity to contribute a significant proportion of own-source revenue to road maintenance within their council boundaries. Quite clearly this is erroneous in the context of the majority of Northern Territory local governing bodies. Therefore, in the Territory context, there is the situation where an inadequate amount of funding is split between a large number of councils already struggling to maintain existing infrastructure that have limited revenue-raising capacities.

To highlight this point, LGANT made the following comments in a submission to the Vale Inquiry into Federal Road Funding in January 1997:

LGANT's major problem is with the standard and accessibility of the majority of roads in the Northern Territory which provide user access to the national highway system and main arterial roads. Of the 31,681 km of roads in the Northern Territory only 6,400 km are sealed. Therefore 25,281 km are unsealed. The majority of these are the responsibility of local governing bodies. To fully maintain this extensive road network, local government authorities are allocated a total of \$8.0m per annum through the Local Government Financial Assistance Grants. This amount is totally inadequate to perform the work required in the Northern Territory. Following the distribution by the Northern Territory Local Government Grants Commission of this amount to 69 local governing bodies, there are 16 councils who receive a minimum of \$20,000 per year. This is paid in quarterly payments of \$5000. LGANT submits to the inquiry that this level of funding is an insult to any organisation contemplating meaningful road works.

Given that the majority of these councils are almost solely dependent on government assistance, they are now in a position where it is unlikely they will have the financial capacity to undertake any significant upgrading of their road network unless alternative sources of funding are identified. It should be noted that the previous Commonwealth Government gave some recognition of this fact when they agreed to fund the \$15.6m Strategic Road Project over three years through the Local Government Development Program.

Unfortunately, this project was terminated after the first year when the Coalition Government came to power and took the decision to cease funding. However, through extensive negotiations with the Coalition Government, the Strategic Road Project has been effectively completed with the five major roads that comprise the project having been handed over to the Department of Transport and Works for ongoing future maintenance responsibility as of 1 July 1997. It is appropriate at this time to outline some of the events that led to the decision being made to fund this project.

On 7 July 1993, the Deputy Prime Minister and Minister for Housing, Local Government and Community Services, the Hon. Brian Howe MP, announced that, as a part of the Urban and Regional Development Review, there would be a review of the local government financial assistance program. This program was delivered through the *Local Government (Financial Assistance) Act 1986*. The discussion paper 'Financing Local Government' 1994 relating to the review was released by the Minister on 4 February 1994.

Among other objectives, the review's terms of reference required a study of local road funding and how these funds, distributed on a roads needs basis, should be allocated within each State and the Northern Territory. The review found that, in the context of Commonwealth financial assistance grants made under the 1986 Act, there had been serious consequences in the untying of road grants for funding access roads to Aboriginal communities in the Northern Territory. A consultant, Dr Christine Fletcher, from the National Centre for Development Studies at the Australian National University, was commissioned to undertake this review. While her report was eventually rejected by the Commonwealth Government, it did provide enough information to highlight the fact that under the direct road funding arrangements, many strategic roads connecting major Aboriginal communities were being degraded at a rapid rate. The report was able to show that this degradation was primarily due to a combination of insufficient funding and an inability of communities to undertake the complex nature of road works required to maintain a road of sufficient standard in the harsh tropical and desert climates. Through the acknowledgement of this road degradation, the Commonwealth, through the then Local Government Development Program, agreed to a three-year funding arrangement totaling \$15.6m which would bring five roads:

- Daly River/Port Keats road;
- Arnhem link road;
- Ngukurr/Numbulwar road;
- Umbakumba/Angurugu road;
- Papunya/Kintore road

up to the same standard they were previously, while being maintained by the Department of Transport and Works. Once this work had been completed they were to be handed back to the Northern Territory Government for routine maintenance at the NTG's own cost.

One of the specific issues the Strategic Road Project demonstrated was that if upgrading of the local road network is to be undertaken, there needs to be an additional source of funds found to provide the capacity to be able to undertake such work. As these communities and the local road network service all Aboriginal residents, including outstation residents, it is suggested that the onus be on all spheres of government to contribute to this initiative.

Conversely, another alternative which would be significantly more unpalatable to the southern states would be to have a review of the total road funding arrangements on a national basis. This review would consider the appropriateness of the existing interstate funding levels and consider the adjustment of these funding levels in line with the growth of the road network and the relative capacity of councils to contribute to the maintenance and upgrading of this network.

RECOMMENDATION 4.

The Northern Territory Government prepare a submission for the Commonwealth Government's consideration canvassing the following issues:

- **a comprehensive review of the current interstate distribution of local road funding, taking into account actual road lengths, local government's capacity to maintain relative infrastructure, topographical and climatic factors, and social equity issues;**
- **seek negotiations with the Commonwealth to implement a joint rolling strategic roads program that would incorporate the upgrading of existing internal community roads; and**
- **seek the Commonwealth's agreement to incorporate a factor that recognises and compensates those States/Territories that have rapidly expanding local road networks.**

3.4 Erosion of the Capacity to Achieve Economies of Scale

One of the major, if not the major consequence of the direct road funding decision in the Territory context has been the erosion of any capacity to develop economies of scale in relation to road maintenance and upgrading.

The Northern Territory Minister for Transport and Works, the Hon Daryl Manzie, MLA, stated in the House in October 1994:

The economies of scale previously available have been lost. That is something that the Attorney General has pointed out on many occasions. The economies of scale and the ability of the Department of Transport and Works to include many of these roads in bigger contracts have been totally lost. The result is a serious deterioration of that road network. The ability of appropriate skilled resources locally in the communities, together with the necessary equipment is a major concern for many of them. Of particular concern is the ability to respond to one-off catastrophes such as a cyclone or flooding that could cause major damage to the road network.

Previously, when T&W maintained the local roads with the exception of those located in the municipal centres, the capacity for greater coordination of contractors was available allowing for the more effective use of funding. While the Committee supports the concept of Aboriginal self-determination, it is not convinced that such a sudden thrust of responsibility onto the majority of these communities has been in their best interests. What the Committee did observe were access and community roads in varying states of disrepair; under-utilised or derelict plant and equipment situated on a number of communities; and a lack of expertise and training for the use of this equipment where it was operable.

The Committee, during the course of its travels, became more aware of the strategic roads program and the variety of models utilised to undertake road works and training on a regional basis. Whilst the models had varying degrees of success, there is little doubt that regional structures and/or resource sharing amongst councils and other organisations are essential if the road network is to be 'adequately' maintained under the current direct funding arrangements. This sentiment is supported in Dr Christine Fletcher's 1995 report, 'Equity and Local Roads - An Examination and Report on Issues of Funding and Maintenance Including Responsibility of Local Governing Bodies and Aboriginal Communities' which states:

Small communities do not have access to enough funds to build or maintain roads and clearly, more funds are required for roads. However, on balance, unless an increase in funds is accompanied by institutional reform that lends firm support to a regional structure to facilitate decisions over how funds should be distributed, the current circumstances may not be improved simply by providing more money to Government agencies (p. 5).

RECOMMENDATION 5.

The Department of Local Government, Office of Aboriginal Development and ATSIC in conjunction with LGANT develop resource sharing models to maximise the use of resources between neighbouring councils and resource centres.

The Committee was also advised by many of the communities visited of the inappropriateness of untying the local road funding. While the untying of the funds allowed communities greater self-determination and decision-making, in actual fact for many of the communities it has facilitated the draining of local roads funding to other purposes contributing significantly to the overall degradation of the road network. While this is not true for all communities, a large number of them have found that the quantum of funding, the level of expertise and the provision of plant and equipment is insufficient for them to undertake adequate maintenance of their local road network. It was stated during the visits that it was often the case community priorities demanded that the funds be expended in other areas.

The House of Representatives Standing Committee looked at Federal road funding in its report 'Planning not Patching' (commonly referred to as the Vaille Report) 1997. This report also raised concerns regarding the practice of untying the grants both to the States and Territories as well as local government. It indicated that the procedure of untying road funding to these jurisdictions and then effectively retying by separately identifying it within the budget papers and seeking assurances that it would be spent on roads was illogical and should be ceased. It went on to recommend:

... that untied road funding paid to States/Territories and local government be paid as tied block grants and maintained in real terms.

Acceptance of such a recommendation by the Commonwealth Government would ensure that all local governing bodies directed their road funding to the purpose for which it is intended. This would ensure that a greater effort was being directed towards the maintenance of this essential infrastructure. While this in itself would not guarantee the local road network would be adequately maintained, the targeting of such funding would be beneficial in slowing the current cycle of degradation that is being observed on a large number of these remote Aboriginal roads.

3.5 Funding Transfer Between Spheres of Government in Line with Responsibility

One clear area of concern for the Public Accounts Committee is the fact that there seems to be an increasing amount of Northern Territory Government expenditure being driven by Commonwealth initiatives. This is not only limited to the issue of roads. It is not uncommon for many initiatives to be implemented within the Territory prior to being fully discussed or agreed to by the Northern Territory Government. The most notable example is the outstation movement.

In the Northern Territory, this movement has been particularly strong and primarily driven by ATSIC. The net result is that there has been a significant increase in the road network, which has now become the responsibility of the Northern Territory Government. Many of the communities that were originally 'seed' funded by ATSIC have now grown to a population where they are seeking a more sophisticated range of essential services as well as local government recognition, thereby tapping into to both Northern Territory and Commonwealth local government funding. Many of these outstations have been developed with minimal or nil consultation with the Northern Territory Government and due to their very location can be extremely costly to maintain as far as service provision goes. The Main Roads Department of Western Australia, in its report 'Access Roads to Remote Aboriginal Communities' (April 1992), makes an interesting and pertinent comment on the subject:

The management and costs for the establishment of Aboriginal community access roads has generally been the responsibility of ATSIC. However, there appears to have been little or no planning of access road route options with consideration given to engineering or environmental aspects. In many cases the community access road has evolved from tracks used by agencies to travel to the community to establish various services (p. 28).

The NTG has significant empathy for the problems highlighted in this report as the Commonwealth Government does not appear to acknowledge this rapidly expanding local road network in its allocation of local road funding. There also appears to be a lack of recognition that, once an outstation road has been established and the population of that outstation increases, there comes an expectation that the standard of the road be improved to cater for increased traffic flow. Under the current arrangements there is no financial capacity for this to be achieved unless one-off submission- based funding through ATSIC or another agency is successful. Often the expectation is that the NTG has an obligation to provide the funding even though they may not have had any involvement in the original planning and development of the outstation.

The situation is further exacerbated when the outstation grows to a size where it applies to the NTG for recognition as a local governing body and, if successful, it has access to a significantly larger pool of both Commonwealth and Northern Territory funds. When this level of local government is achieved, the transition is complete, with an outstation initially established through ATSIC funding and serviced through a Commonwealth funded resource centre now becoming the financial responsibility of the NTG.

Over the last 10 years a number of communities that originally commenced as outstations are now being provided with services through the Northern Territory Government and/or Local Government. However, there has been no commensurate transfer of funds from ATSIC or any

other Commonwealth agency to assist in the service delivery requirements that they have 'inherited' contrary to the original agreement in the Memorandum of Understanding.

Mr David Coles, Assistant Secretary, Department of Local Government, pointed out at a Committee hearing (September 1998) that, at the time of Self-Government, there were 36 major communities within the Northern Territory. These communities were funded through the Town Management Utilities Program, which was subsequently transferred to the Territory. Of the current 61 major communities, a number have grown from the outstation movement and as such are now the responsibility of the NTG. These communities are no longer classified as outstations nor serviced by the ATSIC funded resource centres.

Mr Cole's concern, and one shared by the Committee is the appropriateness of ATSIC devolving itself of existing areas of responsibility with no commensurate transfer of funding to the agency assuming the servicing responsibility.

During debate of the issue, the question was raised as to whether the Commonwealth Grants Commission was aware of this 'cost shifting' and compensated the Northern Territory through its general revenue allocation. Unfortunately no definitive answer could be given to the Committee at the time, however, the Committee believes that the whole issue of 'cost shifting' deserves further investigation.

RECOMMENDATION 6.

The Office of Aboriginal Development, Department of Local Government, ATSIC and LGANT research the issue of 'cost shifting' and, if appropriate, prepare a submission for consideration by ATSIC and other identified stakeholders relating to the transfer of funds in line with changing responsibilities between the respective spheres of Government.

CHAPTER 4 - TERM OF REFERENCE 1(B)

The impact of ATSIC decisions to allocate capital funding to communities for infrastructure development, with no financial provision for ongoing maintenance

4.1 Introduction

The Committee, from the outset, had some concerns regarding the wording of this particular Term of Reference as it clearly implies that ATSIC allocates capital funding to communities with no ongoing provision for maintenance of these capital assets. While there are clearly examples of this happening, there is a substantial amount of money going into ongoing operational or maintenance costs for this particular function as is clearly spelt out in ATSIC's submission to the Committee that in part states:

Capital and recurrent funding is available for housing, infrastructure, municipal services and program support. Recurrent funds are provided for garbage collection, maintenance of community power, water, sewerage services, internal roads, environmental health items and administrative support. This is contrary to what is implied in the Terms of Reference 1(b) of the Inquiry.

The submission goes on to highlight that in 1997 and 1998 ATSIC, through its community housing and infrastructure program, provided on a national basis \$235m for the provision and maintenance of community housing and essential infrastructure on Aboriginal communities. The Northern Territory component of this allocation was \$60.2m. The submission indicates that outside the funds provided by ATSIC to the Indigenous Housing Association of the Northern Territory a further \$15.5m was provided in the 1997/98 financial year for infrastructure and related municipal services in communities in the Northern Territory. It is the Committee's contention that the real issue here is how the ATSIC decision-making processes allocate capital funding to communities, particularly for the commencement of communities through the homelands movement. In association with this, and equally important is the allocation of ongoing maintenance funding to resource centres for the provision of services to these outstations, and the appropriateness and relevance of the resource centre concept.

There are also broader issues as to how this funding is linked to a planning process to ensure that maximum benefit from the funding is being realised, and that the funding purpose is being supported by other line agencies, either Commonwealth, NT Government or local government.

The whole issue can possibly be best summed up in the Daube Report (1994) which recognised the complexity of government service delivery to Aboriginal people and placed great emphasis on 'getting the structure right' for government, in order that services are better coordinated. It stated:

As a consequence of the proliferation of agencies involved with the provision of services and development of policy in Aboriginal affairs the area is a complex maze of often competing agencies at all levels of government (p. 209)

It is the Committee's belief that advancement in all areas relating to Aboriginal affairs will not be achieved until the element of competition referred to above is eliminated, and substituted with the spirit of cooperation. This would ensure that funding from the public purse is being expended in a more cost effective and efficient manner, however it would also require all stakeholders to examine their role in achieving more holistic constructive outcomes for Aboriginal people.

These sentiments were echoed by the Australian Aboriginal Affairs Council (1991) where in discussing a number of principles for determining roles and responsibilities, it outlined:

... the clearest model for joint responsibility programs would involve defining the outcome required and assigning responsibility for delivery to one level of government, thereby providing for direct accountability against program outcomes. But whatever the decision of responsibility, it is important to set out clearly the interest of all spheres of government involved and agree a period after which these would be reviewed to determine their continued relevance (p. 3).

4.2 The Homelands Movement

ATSIC has, for the past 20 years, actively supported the movement of indigenous peoples to go back to country in the interests of promoting the preservation and enhancement of cultural values, improved health outcomes and social well-being. The support and facilitation of this move has raised a number of complex policy issues relating to the provision of housing and infrastructure. The development, planning and funding of outstations has been at times a major bone of contention between ATSIC and the various State and Territory governments. While there is consensus on the benefits of such a movement, there is considerable disagreement between the various jurisdictions regarding funding and service delivery responsibilities. This is compounded by a perceived lack of planning and coordination between the respective spheres of government, including local government, and has put significant pressure on the finite financial resources available.

The Department of Transport & Works highlighted this concern in its publication *Aboriginal Transport Infrastructure - A Strategic Funding Proposal, July 1990*, which stated:

For nearly a decade the Commonwealth has sponsored a policy of decentralising the Aboriginal population away from major centres to outstations and homeland communities. Commonwealth funding has generally not supported the recurrent cost necessary for maintenance and upkeep of its decentralised infrastructure.

As can be clearly seen, the differing views of the States and the Northern Territory (given its high Aboriginal population) are based on the premise that the Homelands movement has been and continues to be a costly exercise given the expansive and inhospitable terrain of the Northern Territory. As the Commonwealth has been the major catalyst for this expansion through its funding programs and the granting of land rights in the Northern Territory, it is unreasonable to expect the Northern Territory to accept responsibility for the provision of essential services without a substantial injection of additional funding.

In saying this, however, it should be noted that the NTG has been prepared to provide some support to the Homelands movement but even its level of assistance is restricted to basic

services and facilities which in many cases are well below those which are available to the broader community.

The Committee has noted with interest that the national commitment to improved outcomes for ATSI people has been advanced in a marginal manner. This commitment originally envisaged that guidelines for the planning and provision of services based on factors such as community size and location, availability of natural resources, etc. would be established. These guidelines were to provide the foundations for improved decision-making and, more importantly, provide guidance on agreed levels of service delivery by the three levels of government for remote communities. It is clear to the Committee that while some work in this area has been achieved, there is still a long way to go if general consensus on the service delivery issue is to become a reality.

Any guidelines should be aimed at resolving the issues of the level of service provision to smaller communities and/or outstations as distinct from those services provided for large base communities accessible to associated smaller communities. The reason the Committee makes this comment is due to the fact that the majority of the problems appear to have their origins in the smaller communities or outstations which, for many, have been constructed using ATSI funds with minimal consultation with the NTG. Often these communities become the responsibility of the NTG when the population reaches a threshold level and its residents seek recognition as a local governing body.

This is further evidenced through the local road situation where, in the early '90s, the Department of Transport & Works was responsible for approximately 8,000 kms of what are known as local roads located on Aboriginal communities. The most recent figure from the Grants Commission database indicates that this road network has swelled to somewhere in the vicinity of 11,500. The Committee accepts that these increases have been brought about by a number of factors, the main ones being:

- a number of the roads were previously in existence but not maintained through T&W and have now become part of the recognised road network through the observations and submissions to the Northern Territory Grants Commission; and
- a number of new roads have been created to traditional hunting grounds and/or cultural areas that have also been subsequently recognised by the Commission.

There has, however, been overwhelming evidence provided to the Committee over the past twelve months which indicates a large proportion of the roads are access roads that have been developed, primarily through ATSI funding, to new and emerging communities throughout the Northern Territory.

It appears that this problem in relation to roads is not confined to the Northern Territory as the Main Roads Departments of Western Australia in its report *Access Roads to Remote Aboriginal Communities* in April 1992, stated:

The current situation regarding access roads to remote Aboriginal communities is that in most instances access roads: are not systematically planned; are not designed to suit the engineering and environmental requirements; are constructed to low standard when opening up new communities; are not given a very high priority compared to other community service infrastructure by community councils; are not developed by any formal process; access roads

tend to involve ad hoc planning over time; are given minimal funding by ATSIC for initial opening up of access roads to new communities with no formal ongoing funds to maintain and improve the access roads (p. 35).

These comments get to the very nub of the problem. While high quality roads are not required initially to allow access to a small family group, as the outstation grows infrastructure and population expands. There is an expectation from these people that an improvement to all services will occur, and it is often at this stage that the particular community has become, either by design or default, the responsibility of the respective State or Territory government. This means that when the power generation, septic system or access road needs upgrading, it is often the local government structure (if one is in place) that is left looking for funds or, alternatively, it is the Northern Territory Government that is required to provide such expanded services.

The Committee notes that the issue of coordination of service delivery to Aboriginal people and outstation residents in particular has been on the agenda of various government agencies for the past ten years, and has been subject to much discussion and the basis for numerous recommendations in subsequent reports. However, it would appear that there is little tangible evidence of the recommendations from these reports being put into practice.

One effort that deserves recognition, however, is the ATSIC Discussion Paper entitled *Community Infrastructure on Homelands: Towards a National Framework* in February 1996 that was circulated to all States and Territories for comment. This paper was recognised as a significant step forward in relation to ATSIC proposals for consultations with the State/Territory and local authorities, and for the establishment of criteria to be met before approval is given and funding provided for the establishment of new outstations.

It is the Committee's understanding that this particular paper has been somewhat subsumed by a more recent review commissioned by ATSIC looking at the homeland resource agencies. The intent of the brief for the consultant in this review is to develop a strategy to assist homeland resource agencies provide more effective services to homeland residents and to operate more effectively as focal points for planning and service delivery by other agencies.

To date, the Committee has been unable to obtain a copy of the report and its recommendations. If the report satisfies its terms of reference it could, in itself, go a long way to resolving many of the problems relating to funding, funding priorities, effective service delivery and the clarification of roles between the respective spheres of government.

RECOMMENDATION 7.

A detailed survey and costing of the essential service requirements for the existing Homeland centres should be undertaken

RECOMMENDATION 8.

An agreed policy position be negotiated between the Northern Territory and Commonwealth Governments regarding the development of future outstations. The policy should outline an agreed set of eligibility criteria for establishment that would encompass:

- **permanency of residency**
- **security of land tenure**
- **adequacy of potable water supply**
- **incorporation within an integrated community planning process**

4.3 Planning Issues for Homeland Communities

One of the Committee's greatest concerns regarding the establishment of homeland communities is that they appear to be established in relative isolation when there should be far stronger linkages between outstation development and the base community to which it is associated. The ATSIC discussion paper has partially recognised the requirement for increased negotiation and discussion prior to the establishment of new homelands. In its 1996 discussion paper, it acknowledges that providing and maintaining community infrastructure is something for which ATSIC and all tiers of government share a responsibility even though that responsibility has not yet been clearly defined. It then goes on to point out that decisions to fund community infrastructure on homelands often does not include arrangements for consultation and coordination with other key stakeholders.

It is the Committee's opinion that it is this approach to outstation development that contributes significantly to the perception that ATSIC provides capital and infrastructure funding with no provision for ongoing maintenance.

It is also interesting to note that when ATSIC refers to consultation and coordination, they speak primarily of Territory agencies providing essential services. There is no mention of local government authorities and, more importantly, no mention of community planning on a holistic basis.

While it is acknowledged that outstation dwellers often seek to return to their homeland and/or escape the social ills of major community life, there is little doubt that an outstation is almost invariably linked to the base community and forms an extension of that community. Thus consultations on the formation of new outstations appear to be focused on service delivery agencies, land councils, homeland resource centres and other 'umbrella' organisations. It appears that little cognisance is given to the impact on the central community that provides services to these outstations either directly or indirectly through the provision of health and education services, provision of food and supplies as well as facilitating cultural and ceremonial functions.

In recognition of this the Committee would see benefits in outstations not being approved for funding unless the outstation itself is given a high enough priority in an agreed community plan and the community as a whole agrees that resources should be diverted for that purpose.

Further, prior to the establishment of future outstations, formal arrangements should be entered into between the community, ATSIC and the governments involved, on the specific services to be provided at the base community, and the more limited nature of services to be available at the particular outstations. The decisions as to the level of services provided to small disperse communities should be made on the understanding of all parties that funds for service provision are not unlimited. If these finite funds are spread over a large number of

small communities, the result is almost certainly going to be a lower quality of life for all communities. Therefore, priority should be given to the provision of proper maintenance of community infrastructure in larger permanent Aboriginal communities that would constitute a service base for the smaller associated communities. This base should also be reviewed with regard to the needs of existing homeland centres and outstations.

This view is shared by the Territory Government, which in its submission to the House of Representatives Standing Committee on Aboriginal Affairs, maintained that there were two key policy areas of concern in relation to the establishment of the outstation movement. The first was the division of responsibilities for homelands between the Northern Territory and Commonwealth Governments. The second refers to the provision of essential services to homelands and the establishment of standards of services to those homelands.

RECOMMENDATION 9.

Future outstations should satisfy an agreed set of criteria (which will be incorporated within the agreed policy position) relating to issues such as permanency of residency, security of land tenure, adequate supply of potable water and be incorporated within an integrated community planning process prior to their establishment.

Apart from the dilemma relating to the appropriate level of servicing for Homeland communities, the Committee identified the location and standard of infrastructure provision for homelands as an equally pressing issue for resolution. There have been numerous examples of Homelands being established without adequate thought regarding issues such as:

- restricted seasonal access;
- inappropriate siting of community infrastructure (e.g. houses subject to flooding, airstrips constructed on the incorrect alignment);
- inappropriate design and construction of community buildings; and
- inadequacies in the provision of public utilities such as power houses, sewerage/septic systems and water storage.

These inadequacies in planning and construction have led to a number of outcomes ranging from the abandonment of the outstation to partial occupation of the outstation or, where the public utility and transport infrastructure is inadequate or not up to code, substantial upgrading. This alone places a significant additional financial burden on the funding provider be it ATSIC or the Northern Territory Government.

While it is difficult to identify the precise reasons that these instances occur, the Committee believes, after extensive consultation with a variety of key stakeholders, there are two reoccurring key factors. The first relates to the manner in which funds are provided through ATSIC for the development of new homelands prior to the current moratorium on development being initiated. It has been suggested that the success or otherwise of a family groups' request to establish a homeland is largely dependant on its capacity to lobby members of their respective ATSIC regional council. There is no evidence that the resulting decision from the regional council has taken into account any or all of the following pertinent factors:

- any established criteria for developing new homelands;

- costings to identify long term recurrent funding requirements and future responsibility for this;
- overall priority of the development against other competing interests; and
- consultation and negotiation processes with other key stakeholders.

This mechanism for decision-making often leads to an ill-planned, hastily constructed development.

The other factor relates to the overall lack of planning relating to the infrastructure constructed. This has manifested itself in the development of homelands that are only accessible for four to five months of the year without a significant injection of funding at a later date to upgrade the access road. Others have had to be abandoned because the water supply, while it may have been adequate for the initial small family group, is now inadequate due to an expansion in numbers. These and other factors have facilitated a significant wastage in government funding over the years that can only be resolved through the implementation of a more rigorous planning, development and construction process fostered through a greater spirit of cooperation by all relevant stakeholders.

RECOMMENDATION 10.

A technically based coordination body representative of all stakeholders should be established to ensure that the development and provision of future outstation infrastructure is cost effective and of an appropriate standard. IHANT should be considered for this role given its broad representative base and its existing infrastructure focus.

4.4 Level of Commitment of Homeland Residents

The level of commitment to homelands can vary significantly and is often the source of great scepticism from a number of quarters. It is interesting to note that Bartlett, Duncan, Alexander and Harwick (1997) proposed the following seven categories of homelands in central Australia:

An outstation occupied permanently; an outstation generally occupied permanently but currently unoccupied due to 'sorry business' or other cultural matters; an outstation occupied more than half the time; an outstation occupied less than half the time due to lack of services (e.g. no school); an outstation that is only occupied on weekends or holidays; an outstation that is not occupied at all; and an outstation that is underdeveloped, and is unoccupied but is subject to developments that may lead to it being occupied in the future (p. 32).

Looking at these categories it is little wonder there is a healthy scepticism about some homeland developments. However, looking beyond that, it does indicate significant planning deficiencies in the system as well as highlighting a lack of rigour in the assessment processes prior to the investment of public funds in the development of a homeland.

While it is outside the Committee's Terms of Reference and level of expertise to make comment on what constitutes a reasonable level of commitment in returning to country, it highlights a need for the issue to be addressed prior to the reinstatement of funding for homeland development.

4.5 Diversion of Funds

The diversion of funds for outstation development and ongoing maintenance is clearly a sensitive issue, particularly with the Northern Territory Government. It is apparent that in some areas, the establishment of a number of small, often single family outstations has diverted both Commonwealth and Territory funds from the larger communities to the disadvantage of the majority of Aboriginal people. This has occurred principally because of the lack of an agreed policy on the establishment of outstations between the Commonwealth and State/Territory Governments and ATSIC, and because of the differing priorities of the ATSIC regional councils and State/Territory agencies responsible for service provision.

While everybody appears to have an understanding as to what is required to facilitate improved outcomes for Aboriginal people, it would appear there are often a myriad of complexities to be defined and resolved before meaningful advancement can be achieved. This is highlighted in the report 'Return to Country' (1987) which suggests there should be clear parameters under which the Commonwealth and Northern Territory should operate in relation to the outstation movement. It suggests that the Commonwealth should adopt a seeding role, which provides funds for special programs, rather than for basic essential services. Once basic infrastructure is established, and the family group have shown commitment to the outstation, then the responsibility for ongoing service provision transfers to the Northern Territory Government.

While this may appear to be an adequate solution on the surface, the following issues arise:

- what length of residency constitutes a commitment to the outstation which would require the transfer of responsibility;
- if the Northern Territory Government is to be responsible for the provision of essential services and the maintenance of assets, then what mechanisms are in place to ensure there is coordination and consultation on the siting of outstations initially; and
- when these outstations grow to such a size that they are recognised as formal local governing bodies what provisions are there for an appropriate transfer of ATSIC funds to ensure that the Northern Territory Government can adequately cater for their needs.

The Committee is intrigued by the fact that some of these most basic concerns have been highlighted for over a decade and still there appears to have been minimal progress in their resolution.

4.6 The Role of Resource Centres

One overwhelming fact that came out throughout the course of this Inquiry was the level of duplication of both capital equipment, infrastructure, and service provision that was evident as a result of many communities having two service providers operating within their boundaries. These providers generally being the local government authority and resource centres.

Many homeland communities are heavily reliant on resource centres as their primary point for both the coordination and provision of a large range of services. Most outstation resource organisations are bodies which are incorporated under Commonwealth or State/Territory

legislation and are separate organisations from the major community councils. Such incorporation ensures that the resource centres have asserted the degree of separation that most outstations wish to have from the major community.

The majority of ATSIC's funded support for the Homelands movement is provided through such agencies, of which there are approximately 100 nationally.

The majority of Homelands within the Northern Territory, Western Australia and South Australia are serviced by resource agencies, each of which is responsible for a cluster of homelands that may range from 5 to 30 outstations or more. The remaining Homelands are often serviced by the major community through the local government authority, the Land Council or other organisations. There are, however, a small number that are entirely independent.

The range of services provided by the various resource centres varies considerably. However, most would include some or all of the following:

- planning, funding, construction and maintenance of housing and associated infrastructure;
- preparation of applications for government grants;
- operation of a two-way radio service;
- operation of an ATSIC community development and employment program;
- health service;
- mechanical workshop;
- training;
- operation of a mobile shopping facility;
- marketing of arts and crafts;
- land management; and
- economic development and/or local employment programs.

The Committee found it interesting to note the strong congruence between the functions identified for resource centres and those functions the community government councils accept through the *Local Government Act*. Given that many of the resource centres are based within the major community, it is not uncommon for there to be a significant duplication of services. These services range from administrative, capital infrastructure, plant and machinery and, at times, the operation of a dual function CDEP program servicing the needs of both community and outstation residents.

The Committee saw a graphic display of this duplication at Ramingining where both the Council and the Resource Centre which were physically located a few hundred metres apart, had a significant amount of road maintenance plant, individual workshops including petrol bowsers, and operated separate community stores.

It is interesting to note that the consultancy brief for the 'Review of Homeland Resource Agencies' mentions a range of factors which limit the effectiveness of resource centres. These include difficulties in recruiting and retaining skilled staff; lack of training for key staff; and inadequate funding. Given that both the local government authorities and the resource centres would be required to recruit people with similar skills base, it is understandable that these problems are prevalent.

While there have been very forceful arguments for the role and retention of resource centres over the period of the inquiry, many of them appear to be based on the historical fact that there were tensions between the outstation dwellers and the community members. These range from traditional/cultural tensions to the fact that the outstation dwellers believed that they were not receiving an adequate share of services through the major community. While those arguments may have been valid 20 years ago, the Committee is not convinced that they are still forceful enough to warrant the maintenance of parallel service delivery agencies in these current times of financial restraint and dwindling financial resources.

The issue of resource centres was, not surprisingly, covered by the House of Representatives Standing Committee on Aboriginal Affairs in its report 'Return to Country' (1987). In that report the suggestion was made that, to achieve a more efficient and effective delivery of services to outstation residents, the Northern Territory Government could administer the funding arrangements for homeland resource centres. It was also flagged that the future role of outstation resource agencies would be subject to further debate as the Northern Territory Government provided the Committee with a report by Prof. David Turner entitled *Transformation and Tradition*. This report supported a community government scheme for Aboriginal communities in the Northern Territory encompassing community government associations to which operational funds will be directed. The report went on to say:

The Community Government Council structure for funding a regional area has some advantages over the existing separate structures of major community councils and outstation resource organisations although it also raises significant problems as is discussed below. A community government structure would allow the sharing and pooling of facilities, administrative support and services across the region, thus decreasing administration costs overall. It would recognise the mobility of Aboriginal people between community and homeland centre and that population should therefore be seen on a regional basis. It would also allow priorities of funding as between the community and outstations to be decided at the local level (p. 120).

While the current structure of local government within the Territory would not adequately facilitate the process, the implementation of the Department of Local Government structural reform process may provide the appropriate catalyst. Effective structural reform would significantly increase the area of local governance for many councils, while providing adequate constituent representation through the division of such areas into wards. This would effectively facilitate the formation of more financially viable and cohesive regional local governing bodies.

CHAPTER 5 - TERM OF REFERENCE 1(C)

The capacity of communities to plan for and execute infrastructure maintenance projects

5.1 Introduction

There is little doubt in these rapidly changing times that success in any endeavour is as much a result of good planning than any other ingredient. While it is widely recognised that Aboriginal people have been planning for time immemorial, the planning revolved around the community's ability to prepare for, and expedite ceremonies, hunting/fishing trips or decisions regarding the burning off of the annual wet season growth. These are all manifestations of complicated planning within the Aboriginal societal context.

It is apparent that while that level of planning sufficed for their more isolated and nomadic lifestyle, a more formal planning process is now necessary for them to progress in these current times. It is not appropriate to look at the reasons for this, nor make judgement on the appropriateness of such change, however these communities, whether they like it or not, are part of a complex society which is incorporated in both the Australian and world economy. If clarity to this statement is required the figure below highlights the number of entities these communities are required to deal with on a daily, weekly or monthly basis.

Table 6: Outside forces acting upon Aboriginal communities

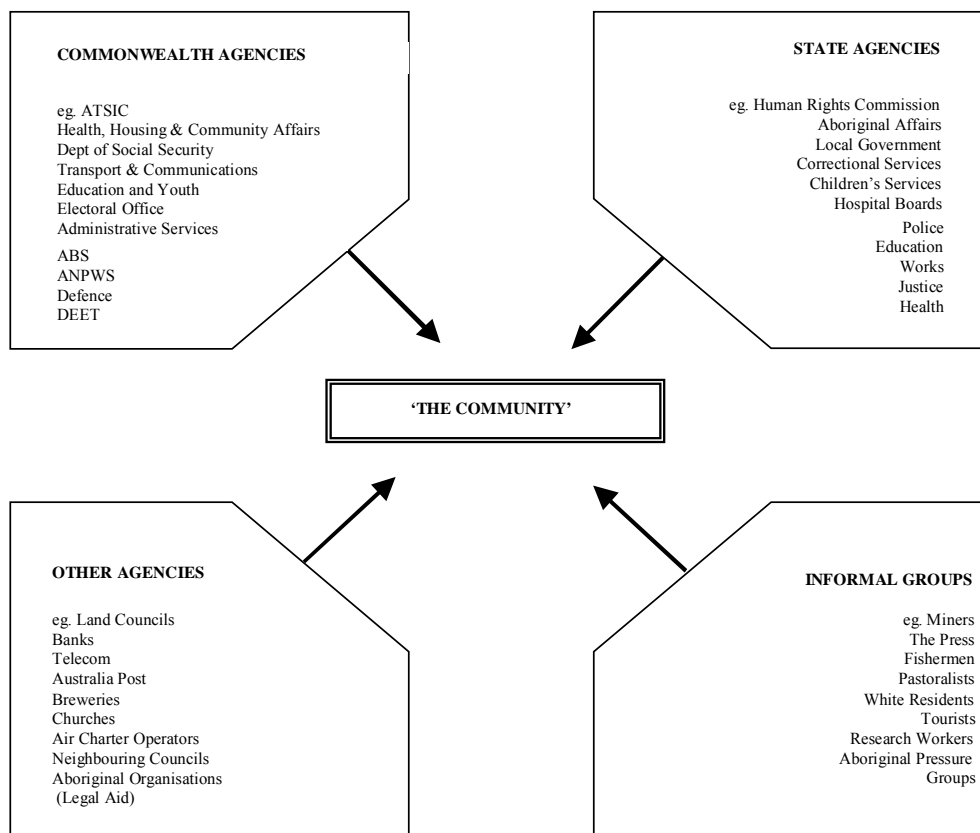


Figure 1 Outside forces acting upon boriginal communities
(Adapted from Martin 1990)

There is no doubt that appropriate planning can significantly advance the social, economic and cultural development of Aboriginal people and their respective communities. The issue has always been how best to plan and articulate those plans so all community members have input and therefore ownership of their future. Lea and Wolfe (1993) made a number of interesting comments on this issue:

Community development planning (CDP) can create opportunities for communities to control their own change and development and to shape and deliver their own services in a way to suit them. Its successful implementation is dependant on a high degree of community autonomy because people have to place their own values and priorities on both non-Aboriginal and traditional customs and institutions (eg language, culture and art, land tenure arrangements and social systems) which means that communities must have control over how available funds are used.

Planning, however, is a two-way street. While it is important for the Aboriginal communities to be aware of where they want to go, and how best to get there, it is equally important for the service providers to have appropriate service delivery mechanisms in place. These mechanisms must recognise the concerns and aspirations of Aboriginal people in this area. The impression that has been conveyed to the Committee during its visits and through submissions was that there could be considerable improvement in both areas. The Committee was left with the impression, at times, that service delivery, including infrastructure development, was undertaken in a certain manner not because it was the most effective but because it was the most bureaucratically effective. The Kimberley Land Council and Waringarri Resource Centre (1991) made the following comment on such perceived dislocation:

the fragmentation of community services is taking place because the various government departments are disorganised.....Being disorganised the bureaucracies are able to control and manage in a very unprofessional way but in a very effective way.....It's basically because bureaucracies focus on their own system of rules and regulations they decide to use. They are not focussing on people (p. 29).

This fact was reinforced to the Committee through its visit to Areyonga where it was informed of the powerhouse construction issue discussed earlier in this Report.

It is clear from this example that there are two distinct elements to the planning issue. The first being the community's capacity to plan, articulate those plans in a manner that is understood by all stakeholders, and perhaps, most importantly, implement the plans effectively. Secondly, the NTG and the respective arms of the Commonwealth Government have to be cognisant of the community planning, and endeavour to assist not only in the planning process where appropriate, but also assist in the realisation of the planning outcomes through a greater targeted delivery of services and resources.

5.2 Community-based Issues Related to Community Planning

Although planning is not something new to Aboriginal people, what is, is the more complex planning that is now required to survive in the current environment. Many communities already have community plans in place, however in many cases the general consensus is that

they are of little value and often a monument to the consultants who were engaged to write them.

The Minister for ATSIC at the time, the Hon. Robert Tickner, MP, made some pointed comments at the Community Planning Pilot Projects Workshop held in April 1991 after his Commission had examined approximately 60 community planning projects. He noted:

I find some of the professionally produced plans disappointing. They seem more concerned with an expert's analysis of community needs and contain no real flavour of community input or control.....Another disappointing aspect of some of these plans is their concentration on needs and objectives (for example so many houses or the upgrading of an airstrip) with insufficient attention being given to strategies to meet the needs or achieve objectives.

He further stated that:

Some of the most useful plans in my view are those prepared by communities themselves with limited outside assistance. While these plans are often simple and focus on only a few key objectives, they are a positive start and can be expanded to form more comprehensive plans as the communities gain planning experience and skills.

The Ramingining Community Council Inc. '1998-99 Community Development Plan' at Attachment D is a good example of such a document. To highlight this fact, the communities comment on the complex issue of the co-existence of councils and resource centres in the one community is:

...to maximise resources and make full use of both operators and machinery..... discourage both parent organisations from purchasing the same or similar machinery and running them in parallel, thus wasting time and resources.

The total plan comprises seven pages and covers all aspects of community activity from health, housing, CDEP, roads, parks and gardens etc.

The Committee has determined that there would appear to be a number of impediments to appropriate and effective community planning at present. These include:

- appropriate time-frames and processes for planning facilitation;
- appropriate roles and training for staff and consultants assisting communities with planning;
- training of community leaders; and
- the need to integrate planning with funding to ensure plans are achievable.

5.2.1 Appropriate time-frames and processes for planning facilitation

One of the key elements to successful planning is to allow sufficient time for the process to evolve and more importantly involve the community as a whole. One of the failings the Committee repeatedly heard was that the planning process was often rushed to meet government timelines and/or statutory requirements. It should be understood that the terms 'community' presumes to imply a set of people who share common territory and who interact regularly. The anomaly in Australia is that the majority of Aboriginal communities have been

created over the last hundred years by governments and Christian missions and are not necessarily made up of residents who are living there by free choice. These communities can comprise a number of different clan groups some of whom have no ownership of the land on which they are residing. Therefore community planning can be a complex and time-consuming task to ensure that all views are taken into account.

Often planning is done through the local governing body on the assumption that this body is truly representative of the community. Unfortunately this assumption can be erroneous given the vagaries of Aboriginal politics.

RECOMMENDATION 11.

The development of an acceptable framework for community planning focusing on simplicity and acceptability should be coordinated through the Office of Aboriginal Development involving appropriate Commonwealth and Northern Territory Government agencies.

5.2.2 Appropriate roles and training for staff and consultants assisting communities with planning

While the ideal planning model is for the planning process and facilitation of that process to be generated and undertaken by the community itself, there are currently very few communities with the level of expertise to undertake such tasks. This is partly because there has been minimal training in this area, but also because of the misconception that planning has to be a complex and well-articulated process. This notion is reinforced through the many voluminous and often inappropriate plans, which were developed primarily by consultants to comply with ATSIC's community development planning guidelines. The Committee found during the course of the review that the most effective plans were often the most simple and articulated in basic language, signs or pictures.

Community-based planning was defined by ATSIC (1994) as:

... an ongoing process of setting goals and developing strategies to achieve them. It takes into account the social, economic, physical, political and cultural aspects of the community and the relationships between these to give a total picture of what is and what might be.

More importantly the book highlights that community-based planning is not something that agency staff, consultants and community advisers undertake. Their role is to provide assistance to enable the communities to plan for themselves.

At present the majority of community planning in the Territory is undertaken with the assistance of consultants and/or agency field officers from either ATSIC or the Department of Local Government. Community planning is only one of the broad ranging responsibilities of field officers from both agencies. As a result, these officers are often ill-equipped to take on the responsibilities of what is a very complex area. The skills necessary to be an effective facilitator include:

- understanding of community and group processes;
- facilitation and research techniques;
- negotiation skills;
- community planning and development skills;
- adult education and training skills;
- political acumen; and
- administrative skills.

While there is evidence that some field officers have some of these skills, it appears that, as community-based planning is not ‘core business’, little training has been undertaken in this area.

RECOMMENDATION 12.

Appropriate training is provided by all relevant agencies to their field officers who are engaged in community planning activities.

With regard to consultancy planning, there appears to be little accountability for planning outcomes with the focus being on the product. The product being the plan itself, and not the acceptability or usefulness of that plan to the community. While the Committee accepts that there is a number of very good planning consultants operating in the Territory, it appears that the standard varies significantly. The difficulty for communities if they opt for consultancy-based planning is they are often unaware of the level of expertise and competence of prospective consultants vying for their business.

As consultants are often engaged through the provision of public funds there should be a significant onus put on the issue of accountability to ensure that the end product is one that will be both of use to the community and, equally important, accepted by the community.

A useful checklist of what to look for when selecting a community-based planning facilitator is incorporated in the ATSI (1994) publication ‘Community-based Planning: Principles and Practices’, and includes:

- does the facilitator have the appropriate skills;
- can the facilitator apply these skills;
- does the facilitator understand ATSI culture and concerns;
- is the approach proposed by the facilitator in line with community-based planning principles;
- is the facilitator acceptable to all major interests within the community;
- does the facilitator have the personality for the job;
- is the facilitator prepared to transfer their skill; and
- is the facilitator a member of a professional organisation?

It is also considered important to ascertain if the facilitator has performed to an acceptable standard in any previous commissions/consultancies they have undertaken in the area of community-based planning.

RECOMMENDATION 13.

Consultants should be rigorously appraised against the checklist outlined in the Report (p. 72) prior to their appointment, particularly where public funding is being made available for community planning projects.

5.2.3 Training of community leaders

The issue of training community leaders is equally complex as the key figures on any community often have a diverse range of responsibilities that they are required to undertake. In many instances they are coming to terms with the concept of local government, together with the more complex and delicate issues such as land rights, native title and the potential effects of Statehood for the Northern Territory.

During its travels, the Committee formed the opinion that there was not a reluctance from these leaders to learn about and participate in community planning, it was simply a case of lack of opportunity for them to gain the necessary skills.

There are a number of parallels that can be drawn between the concept of local government and community-based planning. While governance and planning have always been an integral part of Aboriginal culture, the complexity of both has increased dramatically as part of the self-determination process. In recognition of this fact, and to assist in the advancement of 'local government', the NTG, in conjunction with LGANT, sought and received Commonwealth Government assistance totalling \$1.5m to develop and implement the Remote Area Management Project (RAMP). This program was run over three years and finished on 30 June 1999. It focussed on elected member training in relation to local government responsibilities and included a minor component relating to community-based planning. During the life of the project a number of successful planning exercises were undertaken, the most successful at the Yarralin Community.

The Committee understands that as a result of RAMP an effective and committed Community Planning Steering Committee has been formed with the intention of expanding the current level of planning expertise into those communities not directly impacted through RAMP. This Steering Committee comprises key Aboriginal people from a number of communities throughout the Northern Territory. Unfortunately, there is no readily identifiable source of funding to progress this concept to other remote Aboriginal communities.

Given the investment of both human and financial resources to this project to date and the success of the pilot community-based planning project during this time, it would appear highly inappropriate to cease this initiative solely on the basis of financial constraints exercised by the various stakeholders.

There is little doubt that the advancement of Aboriginal people can be significantly enhanced through effective community-based planning where community aspirations are recognised and realistic outcomes are agreed to through a process of community participation. It would appear that if the current *ad hoc* and uncoordinated allocations of funding through various agencies to community planning were consolidated and targeted for the purpose intended, a more meaningful and effective planning outcome for all communities would be realised given the platform that has been developed through RAMP.

RECOMMENDATION 14.

Increased training support should be provided to key community members during a planning process to assist future planning exercises being facilitated from within the community, thereby enhancing the reflection of community aspirations.

5.2.4 The need to integrate planning with funding to ensure plans are achievable

One of the greatest pitfalls of community-based planning is the fact that it is often done in isolation and is often not coordinated with other key stakeholders who may be integral to the successful implementation of the plan. Often plans can reflect a community 'wish list' which, when drawn up in isolation from any financial planning, often results in failure. Such plans have the effect of creating a community expectation that, when not met, cause a degree of disharmony within the community and a strong scepticism of the planning process.

This was encountered by the Western Australian Aboriginal Affairs Legislative Review Reference Group (1997), who stated:

It encountered a degree of cynicism from some communities and resource agencies, particularly in the Kimberley as to the value of community planning as a basis for priority setting and service provision. In some communities the attitude was 'we have been there done that and nothing happened. Why should we go through it again?' (p. 7).

ATSIC has routinely required Aboriginal community organisations to make and submit formal development plans as a precursor consideration of grant assistance. There is, however, given the method by which ATSIC funding is provided through the regional structure, no commitment to provide funds and resources to implement such plans.

The real challenge here is to develop community plans on a fully participative basis and ensure that all strategies are costed and able to be matched with financial resources prior to final acceptance of the plan.

RECOMMENDATION 15.

Line agencies, both Commonwealth and Northern Territory, need to be integrated into the planning process to ensure that stated outcomes can be aligned with resource allocation.

5.3 Government-Based Issues Relating to Community Planning

The basic premise of community planning in its purest form is summed up in the House of Representatives Standing Committee on Aboriginal Affairs Report, 'A Chance for the Future' (Standing Committee on Aboriginal Affairs, 1989):

Community planning involves individual communities articulating their particular expectations and objectives and incorporating them as a strategy for future development. As such community planning involves much more than mapping existing and proposed infrastructure within communities. It involves assessing the human resources within the community and

planning their development within the context of the community's economic social and cultural goals.

It is evident from this statement that for planning to be successful and realise stated outcomes there needs to be a spirit of cooperation between the community and the other stakeholders who may be significant contributors towards such success. These stakeholders are primarily the various levels of government and the Land Councils. Unfortunately there is evidence that the competing agendas of the various agencies and organisations can be counter productive in the achievement of the stated aims and aspirations of many communities.

This is largely brought about by the fact that these agendas often reflect different conceptions of the future for Aboriginals and how best to achieve them. It presents a challenge to Aboriginal communities trying to plan for themselves, and a challenge to the proliferation of government agencies and other organisations mandated both to deliver programs for Aboriginal people as well as supporting Aboriginal empowerment. Situations have been created where not only do these mandates frequently work against each other, but there has been a lack of coordination and cooperation between the very agencies and organisations that are charged with the responsibility of assisting the Aboriginal people.

There are a number of issues that need to be addressed before the planning capacity of Aboriginal communities and the achievement of their stated goals can be improved. These include:

- fostering a greater degree of cooperation and coordination between the various stakeholders impacting on community development;
- achieving a more unified and collaborative approach to funding in line with accepted community plans; and
- maximising community employment and training opportunities that may arise from community project work in line with these plans.

5.3.1 Fostering a greater degree of cooperation and coordination between the various stakeholders impacting on community development

The issue of increased cooperation in many areas has been a recurring theme throughout this report and the issue is no less important in the area of planning. The evidence presented to the Committee indicates that in most instances community planning to date has been ineffectual and often no more than a bench-top exercise undertaken for bureaucratic requirements, rather than the ordered development of Aboriginal communities.

The whole issue of community planning is uncoordinated, with a number of different agencies considering they have the primary responsibility and any planning is carried out in line with their particular agenda. Both service delivery and community planning has been characterised by various agencies acting independently, sometimes with a paternal attitude, rather than encouraging full participation by communities in decision-making and the self-management of community affairs.

Compounding this is the fact there are varying levels of planning expertise within these agencies and therefore the planning outcomes are often varied in relation to their success.

Given that most community-based plans address a wide range of issues including infrastructure development, cultural and social responsibilities, health and education requirements, etc., there is a requirement for broad based involvement. While it is accepted that planning should be initiated from the community itself, its success is often determined through involvement of the key stakeholders. These stakeholders are individuals who can provide advice on issues of a technical nature (e.g. road development, bore placement, health care advice) as well as providing advice on cost, and the availability of funds.

The evidence observed from the Committee's travels and discussions indicates that such consultation is the exception and not the norm, often resulting in incomplete and inadequate planning that is doomed to failure. As mentioned earlier, a key element leading to this result is the lack of coordination and cooperation of the varied interests that must be committed to the task to ensure its success. A further significant factor is the absence of an agreed planning framework that would ensure that some consistency in approach and therefore outcomes that are achieved when resources are applied to community-based planning projects. While there are volumes of literature written on the subject, it appears that no collaborative approach to planning has been adopted by the respective agencies. The Committee sees the rectification of these issues as crucial to achieving successful planning outcomes.

The importance of acceptable, workable, community plans is a critical success factor to the advancement of Aboriginal communities in the Northern Territory. As stated earlier, given the size and remoteness of the majority of Aboriginal communities in the Territory, achieving any economies of scale to assist infrastructure development, employment and training objectives is difficult to say the least. A strong foundation of workable community plans would provide a base for the development of regional planning that would allow the rational use of existing resources, many of which are significantly under-utilised at this time.

It should be recognised that the development of community plans are essential in the development of regional plans and the establishment of a strategic planning approach combining the efforts of the NT and Commonwealth Governments. Many communities have in place broad community plans funded through ATSIIC or other sources which, to varying degrees, express the goals and objectives of their communities. Communities that do not have any planning arrangements will require assistance in order to participate in such a process. The Aboriginal Affairs Legislative Review Reference Group (1997) provided a precis of the key elements to good community planning which may be of assistance to communities entering this phase of its development:

- a broad vision of the community's desired future direction and aspirations, and priorities for the short to medium term;
- relevant services and facilities available to non Aboriginal communities of comparable size and location;
- Aboriginal specific programs required for the health and social and economic development of Aboriginal people, including the special needs of particular groups, e.g. youth and the elderly;
- identification of community self help projects and prerequisites for their implementation;
- Staff and training requirements necessary for the efficient functioning of communities and the delivery of Aboriginal specific programs;

- the favoured type of land tenure for town sites and other communities and preferences regarding the vesting of road reserves and other land for public purposes;
- opportunities for private sector developments in communities and private sector financing of community assets; and
- and outline town plan that meets the cultural and family requirements of the communities (p. 22).

The Committee is aware that the issue of community land planning is being addressed through the involvement of serviced land availability plans that are systematically developed for communities in conjunction with planning officers from the Department of Housing.

RECOMMENDATION 16.

The Department of Local Government, the Office of Aboriginal Development and ATSIC develop an agreed set of community planning protocols to provide a more coordinated approach to community planning. A component of this framework would be the incorporation of a mechanism to allow community plans to be distributed to line agencies for comment.

A further issue not directly related to planning, but highlighting the coordination concerns expressed throughout this Report, centres around the frequency and nature of agency visitations to communities. The Committee was told on a number of occasions that it was not uncommon to receive daily visits from the number of agencies involved in the area of Aboriginal Affairs. On occasions, similar discussions were held with a number of departmental officers on the same day.

This issue, whilst it may appear somewhat trivial, has a significant effect on these communities through the diversion of their limited resources from their core responsibilities. Such was the impact for one community, that the Council at Kardu Numida resolved that each member of the Council would be responsible, through a sub-committee, for a major function within the community. It was this sub-committee that attended appropriate meetings and reported back to council on meeting outcomes. This had the effect of minimising the disruption of the operations of the council.

While a satisfactory outcome in this case was achieved, one must question whether the onus should be on the community or the respective agencies to rationalise the situation.

RECOMMENDATION 17.

Consistent with the approach outlined in Recommendation 16, a more coordinated approach to agency visitations is required to decrease the time community members spend on 'non core' business.

5.3.2 Achieving a more unified and collaborative approach to funding in line with accepted community plans

In the area of planning, the Committee believes there are two major challenges that threaten to retard the advancement of Aboriginal people living on remote communities. The first is the development of appropriate, uncomplicated plans clearly outlining to all stakeholders where

the community is heading and how it proposes to reach the stated objectives. The second is to ensure that such plans have been developed with the appropriate level of consultation so that councils are able to be provided with the appropriate level of human and financial support to reach the objectives.

As has been indicated earlier, there are many agencies involved in the funding of community infrastructure, however there is little evidence that this funding is provided in support of long term strategic plans. Looking at the proliferation of funding agencies and the mechanisms they employ to provide financial assistance, it appears to the Committee that rarely are funds aligned with any planning outcomes.

The Department of Local Government appears to be attempting some alignment through its monitoring and regulating of councils to expend funds in line with an approved budget. However, it is a 'long bow to draw' to assume that the council budget is truly reflective of participative community planning. The Department does provide funding through a variety of per capita based funding models that provide financial incentives for councils to achieve certain outcomes. While a number of these outcomes are government driven a number are also community driven, so there are positive signs that Northern Territory funding allocations are being better targeted than they have been in the past.

Unfortunately, the Committee did not see the same endeavours from the Commonwealth funding providers, particularly ATSIC. Given that a significant proportion of ATSIC funding allocations are provided through submission-based applications via the regional councils, there is a propensity for the submissions to reflect community wishes at that time, rather than any ordered development for the long-term advancement of the community. The Committee believes that submission-based funding can be counter productive, unless the submissions are linked to the community planning process.

RECOMMENDATION 18.

ATSIC and other funding providers should be encouraged to target discretionary funds towards projects outlined in accepted community plans.

5.3.3 Maximising community employment and training opportunities that may arise from community project work in line with these plans

It is an established fact that most communities will require major infrastructure construction for many years and there is therefore the potential for significant employment opportunities in these activities for local Aboriginals. This has been adequately demonstrated through the HIPPS/NAHS projects that have been undertaken on a large number of communities throughout the Northern Territory in the last few years.

The employment and training potential was also demonstrated during the Strategic Road Project in the Alice Springs region where a number of strategies were used to achieve acceptable outcomes. The range of strategies included the following.

- The formation of an incorporated body representative of the western desert communities which coordinated the road construction, employment and training of personnel throughout the life of the project. This regional initiative produced a number of positive

training and employment outcomes achieved mainly as a result of the local input to the process.

- A similar process was adopted in the Port Keats region, where communities wanted to ensure maximum benefit from the funding was achieved. The process there was fully integrated with all participant councils being involved in decision-making resulting in positive outcomes for all involved.
- An equally successful method as far as outcomes were concerned was the letting of a contract for the work to be undertaken by a commercial contractor with clauses inserted to ensure local Aboriginal people were employed and trained for the duration of the project.
- There were those communities that agreed to be responsible for certain sections of the road and undertook the work utilising their own plant and machinery with appropriate ‘in-house training’.

While there are a number of models in existence to ensure training and employment outcomes can be achieved, the key element to success is planning. To ensure this happens communities need to be kept fully apprised of work that is proposed for a particular community, and tender documentation should be drafted recognising the particular areas of expertise that exist for work to be undertaken at the local level.

It would appear that while the onus is on the Council Clerks to ensure that they are adequately apprised of project work to be undertaken on the community, due to other priorities this task is not undertaken with the rigour that it should be afforded. It would seem that there are avenues open for more targeted communication with communities by the Department of Transport and Works, ATSIC and other agencies involved in infrastructure development funding and work.

RECOMMENDATION 19.

Tender documentation for project work in line with community plans should be appropriately packaged, advertised and distributed to maximise community employment and training opportunities.

CHAPTER 6 - TERM OF REFERENCE 1(D)

Whether the existing criteria adopted for the allocation of funds by funding providers takes appropriate account of population, potential utilisation of the infrastructure and the comparative economic and social needs of each community

6.1 Introduction

There are a number of key funding agencies involved in the delivery of transport infrastructure to Aboriginal communities. The major sources of Commonwealth funding are provided through:

- consolidated revenue provided to the Northern Territory Government through the annual budgetary process;
- ATSIC programs;
- local road funding totaling approximately \$9.0m per annum;
- local government financial assistance grants totaling approximately \$9.0m per annum; and
- DEETYA funding to assist with training and employment programs.

In the Territory context, the Government provides funding to assist local governing bodies in providing local government and other services including the provision and maintenance of transport infrastructure through the following agencies and programs:

- DLG operational subsidy to all non municipal local governing bodies totaling approximately \$14.0m per annum;
- DLG capital program totaling approximately \$2.0m per annum;
- DLG minor communities funding totaling approximately \$0.6m per annum;
- T&W airstrip maintenance funds totaling approximately \$0.6m per annum; and
- T&W barge landing maintenance funding. Due to the infrequent maintenance work that is required for the barge landings, this work is usually scheduled under the Department's minor new works or repairs and maintenance program.

Much of the funding outlined above is provided directly to the local governing body through the line agency with the exception of the local road funding and the FAGs. This money is made available to the Northern Territory Grants Commission which in turn submits its recommendations (through the Northern Territory Minister for Local Government) for the Commonwealth Government's approval.

In addition to the funding received by the local governing bodies, ATSIC is a substantial funder of the outstation movement through its support to the respective resource centres. Conversely, the Northern Territory Government provides limited funding in this area.

6.2 The Commonwealth Contribution

6.2.1 Local Road Funding

The local road funding prior to the 1990 Special Premiers' Conference was provided through the Commonwealth Department of Transport to the Northern Territory Department of Transport & Works. This agency made a proportion of these funds available to the municipal councils who had a statutory responsibility for the maintenance of their own roads. The balance of the funds was retained and applied to the overall road network, which included those local roads located on Aboriginal land. It is significant to note that the funds provided through this mechanism were tied for the purpose of road maintenance and development.

The quantum of funds provided and the mechanism for their interstate distribution are less clear. It is understood that the Territory's allocation when it became eligible to receive these funds (after Self-Government) was determined by the amount of funding it was receiving (for this purpose) prior to Self-Government. The PAC, through its investigations, has been unable to determine the appropriateness of this initial allocation.

After the decision was made at the Special Premiers' Conference, a proportion of the local road funding was provided directly to Councils through the National Office for Local Government. The balance of funding for the remaining roads not within a council's jurisdiction was absorbed into the Territory's consolidated revenue. The direct road funding proportion translated to approximately \$7.7m being allocated to the NT Grants Commission for distribution with the balance (approximately \$9.0m) being absorbed into the Territory budget. The figure of \$7.7m was determined by the Commonwealth from the existing \$3.6m already being provided to the municipal councils, together with an additional \$4.1m calculated on the approximate 8,000 kms of local roads located on Aboriginal land previously maintained by T&W.

As stated earlier in this Report, given the origins of this funding, it is not possible to make an accurate assessment as to whether the original overall road funding allocation from the Commonwealth was appropriate for the Territory. What has been highlighted to the Committee, however, is that the assumption on which the \$4.1m was determined is clearly erroneous, as it was based on those roads located on Aboriginal land that were being maintained by T&W at that time. These roads were not reflective of the local road network that was identified over the following two years by the NT Grants Commission. This meant that the local governing bodies were 'behind the eight ball' from the outset. Currently it appears that there is no mechanism to redress this imbalance in funding as the State/Territory allocations are enshrined in legislation.

RECOMMENDATION 20.

A survey and costing be undertaken of the required expenditure for the maintenance of the current local road network against existing levels of funding provided for that purpose.

The Committee also believes another major flaw in the original allocative process revolves around the fact that the majority of councils for whom this funding is intended have a limited or non-existent rate base due to the nature of land tenure on these communities (the land is held in trust by the respective Land Councils). If the assumption that the original allocations were on a road length basis is accurate, then the southern States have a significant advantage as approximately 50% of their council's road maintenance expenditure is derived from their 'own source' revenue. It is the Committee's contention that, had this issue relating to social justice been assessed originally, the Northern Territory would rightfully have received a larger proportion of the existing funding. In effect, the current allocation is insufficient to maintain the existing road network, let alone provide councils with the capacity to upgrade or extend the network. This is of particular concern when the network is being extended through the application of Commonwealth funds for the advancement of the homelands movement, with many of these new roads eventually having to be maintained by the local governing body in the area.

A related issue that needs to be examined in relation to the local road funds is the appropriateness of the second allocative process via the NT Grants Commission. The method through which the Commission recommends the distribution of these funds is relatively simple. The money is allocated on a weighted road length for the five basic categories of road. These are:

- kerbed and guttered (weighting 10);
- sealed (weighting 8);
- gravel (weighting 4);
- formed (weighting 1); and
- flat bladed track (weighting 0.4).

These weightings represent the life cycle maintenance costs for each particular category of road from initial construction, routine maintenance and the eventual resealing or re-sheeting of the surface. These weightings are multiplied by the respective road lengths within a local government area which, when calculated out, become the road factor for each council. This factor determines the quantity of funding each council receives from the funding pool. Where a council's calculated grant is less than \$20,000 (this applies to 16 councils), their grant is automatically escalated to this amount to give it some capacity to undertake some meaningful road work. While this methodology has worked successfully for a number of years, and has the acceptance of both the local government industry and the Commonwealth Government, a number of concerns have been raised over the years.

In this methodology, there is no recognition of road usage. In the other States the respective Grants Commission factors in a population figure that is used as a *de facto* usage indicator. This has the effect of ensuring the larger population centres receive an adequate share of the funds to maintain their high use/high maintenance road network. This principle would also apply to a number of the larger Aboriginal communities.

The capacity, or lack of it, for councils to upgrade their existing road network over time is a major concern to the Committee. Under the current system the allocations allow minimal if any capacity for upgrading of existing roads. A method that would increase the capacity of remote councils to undertake such work would be to allocate funding on the expected minimum standard of road and not necessarily the existing road surface. It would be reasonable to expect that all internal community roads should be sealed even though a large number are currently of gravel composition. Therefore under this system the weighting applied to a particular community's internal road network would comprise a factor of 8 instead of 4. This escalation in the road factor would, accordingly, significantly increase a community's grant allocation. If it were also feasible to negotiate additional project based funding from the Commonwealth in recognition of its flawed road funding methodology, it would be possible to make a serious contribution to the improvement of the remote local road network.

The Western Australian Main Roads Department proposed a similar concept in its report 'Access Roads to Remote Communities' (1992) where access roads were proposed to be upgraded to set standards dependant on a communities population:

... access roads for populations of less than 50 were to be maintained as existing road only, unless severe access problems were identified. Access roads for populations between 50 and 250 were designated for upgrading to type 2 standard, i.e. light formation without pavement. Access roads for populations of 250 were designated for upgrade to Type 3 standard, i.e. light formation with pavement. In relation to internal roads where populations were less than 50, internal roads were designated to leave as is. Where populations were between 50 and 250, internal roads were designated to be provided as gravel roads, and with populations of over 250, internal roads were designated for sealing and curbing (p. 35).

Finally, it should be noted that the current methodology gives no recognition of the relative isolation of communities and the associated cost implications or socio-economic disadvantages. However it should be noted that, given the pool of funds is finite, any methodological changes designed to direct a greater percentage of funding to the remote communities will produce a commensurate reduction of funding to other councils within the Northern Territory.

RECOMMENDATION 21.

The Northern Territory Grants Commission should review its road funding methodology focussing on the following areas:

- **weighting roads on expected standard as opposed to existing road type;**
- **factoring in road usage, or a *de facto* measure such as population, to give an indication of relative usage; and**
- **recognition of a factor relating to 'access disadvantage' in the overall assessment process.**

The Committee was interested to note that the West Australian Grants Commission, apart from having a significantly more complex methodology, also has in place an arrangement with the Commonwealth Government to quarantine a portion of its roads grant for specific road and bridge construction, and upgrading on Aboriginal land.

The Commonwealth Minister for Local Government has agreed to the quarantining of 5% of the total annual allocation to West Australia for that purpose. The money is allocated through the Commission on a needs basis, where submission based projects together with the recommendations for the remaining 95% of the funds, are assessed and endorsed by the Commission before being passed on to the Commonwealth Minister for approval.

This mechanism provides a capacity for communities to be able to undertake meaningful road upgrading and construction that would otherwise be well beyond their financial capacity. This quarantined 5% cannot be accessed by the larger populated urban councils as they are excluded from the arrangement. Given the similarities between Western Australia and the Northern Territory relating to a diminished capacity to adequately maintain an expansive and remote road network, the Committee believes the Northern Territory Grants Commission should consider this option.

RECOMMENDATION 22.

The Northern Territory Grants Commission seek the Commonwealth Minister for Local Government's approval to quarantine a percentage of the annual road funding allocation for distribution on a needs basis for the improvement of roads located on Aboriginal land.

6.2.2. Consolidated Revenue

The Commonwealth Grants Commission methodology, in determining the funding that each State needs, begins by taking Australia-wide average financial figures. Weightings are then applied to those figures which reflect cost factors that are outside the control of State governments (i.e. population density and dispersion, size of State, topography, climate and other factors). It then produces standardised expenditure assessments that are considered what each State requires in order to provide a particular service at average efficiency levels and standards. Weightings or disabilities are applied using the 'factor assessment method' and each State has to argue its case for its relative disability and appropriate factor weighting. Similar methods are used on the revenue side to assess a State's income raising ability.

States with significant disabilities benefit substantially. Most revenue is collected through taxation of the larger populated states of New South Wales and Victoria. The value of the transfer of taxation revenue from these two States to the remaining States is calculated at approximately \$1.8 billion annually. In recent years this has become a contentious issue with the New South Wales and Victorian Governments arguing against such transfers. The Northern Territory, with limited economic development, a relatively younger and dispersed population with 24% Aboriginal composition, and many other disability factors, is the main beneficiary of fiscal equalisation.

Aboriginal organisations in the Northern Territory have, in recent years, expressed concern that while the NTG benefits significantly under fiscal equalisation by virtue of its large and isolated Aboriginal population, there is little equity between the funds received on this basis and those actually applied towards services for Aboriginal people. It should be pointed out, however, that a portion of this funding enables the DLG to provide funding through its operational subsidy, capital and minor communities funding programs.

6.2.3. Local Government Financial Assistance Grants

The reason for considering this category of funding is because although the funding is classified as general purpose operational funding, it is provided on the assumption that a proportion of it will be allocated to infrastructure development — in particular roads. This assumption is due to the fact that part of the assessment criteria incorporates road maintenance as a core function of council.

The allocation of the FAGs has always been an enigma and a source of continual frustration to the NTG and the local government industry. On the one hand the Commonwealth Government, through the NOLG, allocates approximately \$833m on a per capita basis to the States and Territories, with no recognition of the relative cost between the various jurisdictions of providing local government services. On the other hand, under Commonwealth legislation, the respective Grants Commissions are required to allocate these funds on a basis of need to the respective councils.

The formulae used to achieve this distribution to councils calculates a standardised expenditure for six categories for each council and inflates them by recognising factors such as isolation, dispersion, growth rate, etc. It carries out a similar calculation to determine theoretical revenue raising, recognising potential income earners and the receipt of a proportion of any local government subsidies received. The difference between these two figures is the assessment of need for each council and determines the relativities between councils that is applied to the funding available to determine each council's respective grant.

In 1990, the Commonwealth Grants Commission prepared a report that recommended (with reservations) the adoption of complimentary relativities to redistribute the local government funding. If the government of the day had seen fit to accept the recommendation, the Territory would have received approximately \$31m. in the redistribution as opposed to the \$6.7m. it did receive. The Committee believes this issue should be re-examined in greater detail by the NTG.

RECOMMENDATION 23.

The Northern Territory Treasury prepare a comprehensive discussion paper outlining the overall financial impact on the Territory of pursuing a change in current Commonwealth policy, regarding the current per capita interstate distribution of the local government financial assistance grants versus their distribution on the principles of horizontal fiscal equalisation.

It is the Committee's assessment that the NT Grants Commission's methodology adequately recognises factors relating to the equitable distribution of funds to the respective local governing bodies. However, one criticism to be offered is that, in its current form, it provides a major incentive for the fragmentation of councils through its application of a diseconomy of scale allowance, that provides a higher per capita level of financial support to the small councils. While it was accepted Government policy to encourage councils to become recognised local governing bodies in the early stages of local government development, it is now apparent, and appropriate, that some rationalisation process is required similar to the reform processes that have been undertaken in the other States. This would require a review

of the current methodology to ensure that it supports any reform principles that are to be pursued through a local government reform process.

RECOMMENDATION 24.

The Northern Territory Grants Commission review its financial assistance grants methodology in consultation with all local governing bodies to encourage and achieve greater efficiencies in the delivery of services through a rationalised local government structure.

6.2.4. ATSIIC Funding

Submission-based funding is widely practised by ATSIIC and DEETYA but, in the opinion of the Committee, requires urgent and critical examination. It is counter to any reasonable interpretation of social justice that Aboriginal organisations are compelled to make submissions to funding bodies for basic citizenship entitlements and services such as power, water and roads, etc. Under present arrangements, each community must bid against other communities, each region against region and each State against State. The final level of funding relies largely upon the judgement of the decision-making body and the politics within it.

The Committee believes that submission/discretionary-based funding allocations have no systematic capacity to take account of need or equity principles. Without these principles, organisations are vulnerable to criticism from non-Aboriginal groups for funding received, and also from Aboriginal organisations because of apparent disproportionate funding anomalies to the various areas and regions.

A further method of funding distribution adopted by ATSIIC is the historical based funding whereby each year a community is granted more or less the same funding for services. This process is not inconsistent with submission-based methods. Each year a community organisation must go through the motions of making a submission to ATSIIC detailing areas of actual or desired expansion of service provision, but in most instances the funds allocated will be assessed and decided upon according to the previous year's funding level. If funding was inadequate in previous years, then it is likely to remain inadequate for the future year. Conversely, it is possible for some organisations to be continually over-funded. The appeal of historical funding is that it largely allows decision-makers to avoid politically difficult decisions.

One option that should be considered by ATSIIC is formula-based funding that may use per capita principles as the basis for distribution. Such a mechanism ensures a more equitable and predictable source of funds that can be factored into the community budgets on an annual basis. The NTG and the NT Grants Commission have both employed formula-based funding methodologies for a number of years that appear to have been accepted by the majority of recipient communities. During the course of the PAC visits, many communities commented on the simplicity and transparency of such mechanisms as opposed to the time-consuming and often ineffectual submission-based arrangements.

RECOMMENDATION 25.

ATSIC should be encouraged to assess the appropriateness of its submission-based discretionary funding allocations through the regional council structures.

CHAPTER 7 - TERM OF REFERENCE 1(E)

Strategies that could support funding consolidation and mutual cooperation from the principal participants, leading to a more effective and equitable allocation and application of funds.

7.1 Introduction

The reports that have dealt with, or commented on the problems or lack of coordination in service delivery to Aboriginal people are too numerous to list here. In the past twenty years, this issue has consumed the attention of numerous forums of government, including Parliamentary and Cabinet committees, task forces, working parties and special inquiries. All have been formed for the express purpose of improving coordination of services to Aboriginal people. Yet, in spite of all these good intentions and efforts, frustration, duplication and wastage continues on a massive scale and there is an overwhelming sense that the system is out of control as government continues to add to the administrative superstructure involved in Aboriginal affairs.

Governments' recognise that a variety of organisational structures have developed or been adapted by Aboriginal people to deliver services, including local government services to Aboriginal communities. These structures include community councils, resource centres, Aboriginal Land Councils, cooperatives and other bodies incorporated under Commonwealth, State and Territory legislation. Despite the proliferation of such organisations, there has been minimal advancement in the provision of services to Aboriginal people.

A reason for this lack of advancement primarily lies with the issue of the confusion of roles between the Commonwealth and Northern Territory Governments which has been discussed repeatedly in this Report.

The structure of local government within the Northern Territory and how effectively it is recognised as a service provider by funding agencies and its constituents is also another major contributor. In other States, local government is the sphere of government which is largely responsible for the development and extension of transport infrastructure within communities. Given the nature of the Northern Territory, and the financial and administrative frailty of many of the existing local government structures, the situation here is significantly different. To understand this structure, it is essential that a basic knowledge of remote area governance is understood.

Local government within the Northern Territory currently consists of 68 local governing bodies comprising six municipal councils, 32 community government councils and 29 association councils together with Jabiru.

The small size and remoteness of the majority of the local governing bodies has led to enormous diseconomies of scale in the administration and delivery of services. Low population bases impact adversely on their structural as well as their financial viability. As a consequence they require a disproportionate amount of funding, on a per capita basis, when compared to larger councils. This is highlighted by the following comparisons derived from

the National Office of Local Government's report - '1996/97 Report on the Operation of the Local Government (Financial Assistance) Act 1995':

Darwin	\$20.64 per capita
Brisbane	\$19.11 per capita
Perth	\$13.89 per capita
Peppimenarti	\$451.80 per capita
Kunbarllanjja	\$212.97 per capita
Timber Creek	\$231.84 per capita

The influences of these structural inefficiencies are also significantly evident in relation to human as well as economic resources, with the pool from which potential community leaders and appropriately trained staff being understandably small in comparison with the regional centres. Attracting high calibre staff and retaining their services is increasingly difficult in today's competitive employment environment. Prime examples of the effect of the inefficiencies are the rates at which councils fail (up to six per annum), and the degradation of the Territory's road network. Both are critically reliant upon the competency, reliability, probity and skills of leaders and managers both within the council and the wider community.

These factors, together with the prospect of ongoing applications for community government council status from small groups of people are cogent arguments for encouraging councils, whether new or existing, to increase their areas of governance. This can be achieved by extending their boundaries, amalgamating with other councils, entering into reasonable resource sharing arrangements with neighbouring communities, or combinations of all three methods.

While there is little doubt that local government reform can and should play a major part in the improvement of services to Aboriginal communities, there are a number of issues at the macro level which will need to be addressed in conjunction with any reform initiatives. One of the recurring themes throughout this Report is the issue of transparency of government responsibilities and how they are managed. Realistically, it is unlikely this issue will be fully resolved until the Northern Territory achieves Statehood which will remove the joint responsibilities currently in place between the Commonwealth Government and the NTG for the provision of services to one clearly identifiable group of residents. In the meantime, however, there are a number of strategies that could be implemented to alleviate the problem and create greater efficiencies in what can only be called at this point in time, a relatively inefficient system.

Strategies that should be considered are the introduction or extension of existing bilateral agreements or the move to a purchaser/provider model of service delivery along similar lines to that which has been implemented with success in Victoria.

7.2 Bilateral Agreements

Bilateral agreements are not a new concept, however they are a concept that would appear to be under-utilised in the current context of service delivery to Aboriginal people. The Australian Aboriginal Affairs Council raised the issue of bilateral agreements in 1991 in its

report 'Achieving Greater Co-ordination of Aboriginal and Torres Islander Programs and Services'.

It is interesting to note that the working party involved with this report considered a number of principles for determining roles and responsibilities in service delivery which were endorsed by the Special Premier's Conference convened in 1990. These principles included the following:

- where full responsibility for a function is assigned to one sphere of government, it would then fully determined program priorities and delivery mechanisms without inference and would be held fully accountable for performance. Funding would have a simple relationship to functional responsibility and adjustments to financial assistance grants would follow as appropriate;
- where shared responsibility is the outcome, in addition to their policy interest, the State would generally have the dominant role in managing service delivery;
- in these cases the principle should be that the Commonwealth involvement in the operational management of the program is reduced to the greatest possible degree consistent with ensuring that national objectives are met. Commonwealth objectives should be consistent with national objectives and limited to them; and
- the clearest model for joint responsibility programs would involve defining the outcome required and assigning responsibility for delivery to one level of government, thereby providing for direct accountability against program outcomes. But whatever the division of responsibility, it is important to set out clearly the interest of all spheres of government involved and agree a period after which these would be reviewed to determine their continuing relevance.

Given that this report was endorsed in 1991 by the Commonwealth Government of the day, it is difficult to understand why so little progress has been made regarding a reduction of duplication and excessive waste of government funding in the provision of services to Aboriginal people.

After saying this however, the Committee is aware that this document was the catalyst for the development of a successful bilateral agreement between the Northern Territory Government and the Commonwealth Government relating to the provision of housing to Aboriginal people. This agreement, that was signed in June 1995, facilitated the provision and management of housing and related infrastructure for Aboriginal and Torres Strait Islander people in the Northern Territory and led to the formation of the Indigenous Housing Authority of the Northern Territory, more commonly known as IHANT.

The IHANT Agreement established the framework for a partnership between the Northern Territory Government, the Commonwealth Government and the Aboriginal and Torres Strait Islander Commission in the delivery of housing and related infrastructure for Aboriginal people and Torres Strait Islanders living in the Northern Territory.

It is interesting to note that when this Agreement was drawn up, while its focus was clearly on improving housing outcomes, the intention was that it could be expanded at a future date to

assist in the coordination of other infrastructure related projects. This becomes clear when looking at the objectives stated within the Agreement itself:

The objective of the agreement is to improve housing outcomes for Aboriginal and Torres Strait Islander people by:-

- (c) increasing the efficiency and effectiveness of the delivery of housing assistance and related infrastructure to Aboriginal and Torres Strait Islander people, thus maximising the value of available funds; and
- (d) co-ordinating related and linked funding program and other resources for housing assistance and related infrastructure.

Linked programs as defined within the agreement can include any program operated or delivered by the Northern Territory Government or Commonwealth Government which is agreed from time to time by the parties to be a linked program. Services delivered under linked program could include 'the construction, upgrading and maintenance of transport services' (p. 2).

Transport services for the purpose of the Agreement are defined as:

access roads to Aboriginal communities on land held by Aboriginal Land Trusts established pursuant to the Commonwealth *Aboriginal Land Rights (Northern Territory) Act 1976*, Barge Landings and Airstrips.

It is evident to the Committee that, given the provisions within this existing bilateral agreement, there is considerable scope for an expansion of their existing responsibilities into the area of transport infrastructure development which has the acceptance of all parties. Therefore, there would be little value in attempting to negotiate a further bilateral agreement with the Commonwealth Government specifically relating to transport infrastructure.

The two crucial issues that would need to be addressed, if any expression of IHANT's responsibilities were to be considered are: has IHANT, in its current composition, got the capacity and skills to manage the allocation of funds required for the improvement of transport infrastructure on Aboriginal communities; and, more importantly, from where are these funds to be sourced?

In relation to the first issue, there is currently a review of the bilateral housing agreement being undertaken. The document, 'Review of the Agreement for the Provision and Management of Housing and Related Infrastructure for Aboriginal and Torres Strait Islander People in the Northern Territory,' at the time of writing this Report, was in draft form.

The issue of funding would be more complex. The Committee believes that there are avenues worth exploring in relation to seeking additional Commonwealth funding in recognition of the current inequities in the existing road funding arrangements that have been outlined in this Report. A further contribution could be made through the Department of Transport & Works reinstating its previous funding levels of approximately \$2.0m per annum for the capital upgrades of community internal and access roads. There is scope for further ATSIC funding to be provided in recognition of the fact that the NTG has been required to pick up a significantly expanded road network together with the service requirements associated with the outstation/homelands populations that have accepted local government status. It may also

be possible that increased funding levels could be provided through the Department of Local Government and Territory Health Services as the development and upgrading of transport infrastructure has significant spin-offs for the outcomes of both of these departments.

If such an arrangement was agreed to and brokered with IHANT, it would allow the Northern Territory Grants Commission to continue to allocate the Commonwealth funds provided for maintenance purposes, with IHANT providing a needs-based allocation for the construction of new, or the upgrading of existing roads.

RECOMMENDATION 26.

IHANT consider the appropriateness of expanding its current responsibilities to incorporate transport infrastructure.

7.3 Local Government Reform

It is not proposed that this Report discuss the issue of local government reform in great detail, as there is an extensive agenda for reform currently being undertaken by the Department of Local Government. It is, however, important that some of the elements of this reform process are revealed within the context of this Report and the perceived benefits of such are outlined.

To place local government in context, it is important to realise the role that it plays. This is highlighted in the recent Ministerial statement, 'The Reform and Development of Local Government in the Northern Territory,' which was presented to the Legislative Assembly by the Hon. Lorraine Braham, MLA, on Wednesday, 17 February 1999:

Local government plays an important role in the lives of Territorians. In many ways, the health of the community is closely related to the health and strength of its local government. Local government operates very closely with the people and deals with those services that affect people in the course of their daily lives - garbage collection, maintenance of roads, parks and gardens, footpaths and animal control ...

The Minister went on to say:

Local government should have the ability to deliver strong community representation and leadership. It must be able to deliver services in an efficient, effective and accountable manner, and it should have a decision-making structure that is seen to be credible, legitimate and culturally relevant.

In essence the reform agenda is about ensuring that constituents of local governments within the Northern Territory receive maximum value in services and representation from their councils in return for the rates and charges that are levied upon them. The focus on council reform in the Northern Territory has been to achieve economies of scale, as well as increase council's efficiency, effectiveness and accountability. The issue of economies of scale are driven home when you consider that in the Northern Territory the average population per council is less than 3000 people and in the rural and remote areas, 95% of the councils have a population less than 1000 people.

To achieve the aim of creating more viable, effective, accountable and responsive councils throughout the Territory, there are a number of issues which are required to be resolved. Some of the major changes that can be expected are in the following areas:

- Fewer, larger and more sustainable councils.

This aim would be achieved through encouraging larger council areas to encompass communities of interest, such as language or other cultural groupings, complementary land use, natural boundaries or logistical capacity for optimum service delivery. It would also consider establishing processes for co-operation and collaboration between councils to provide a secure basis for continuing and cumulative regional development.

- Local government constitutions that take into account traditional decision-making structures.

This initiative could well allay many of the fears and misconceptions that have led to the significant division of larger councils and communities and their outstation populations. The creation of new council areas based on Aboriginal language groups and ceremonial affiliations could provide a better opportunity for incorporating traditional Aboriginal authority into schemes. A by-product of this would be councils obtaining a regional identity and a scale of operation that should be more conducive to effective service delivery. The establishment of local government areas that cover an Aboriginal language group have already been trialed in the Anmatjere Community Government Council. While there have been teething problems, the basic concept appears to be working. The Mummuripatha people in the Port Keats area are exploring a similar initiative.

- Better and more reliable services.

It is anticipated that the level of services and the range of services will be able to be significantly increased with the creation of economies of scale, the employment of better credentialled administrators and staff and the more appropriate use of capital infrastructure and plant as a result of the reform process.

- Transparent council planning, financial and reporting processes.

This will allow the promotion of best practice and the implementation of business principles which will encourage efficiency, effectiveness and accountability in the operations of local government. This will be accompanied through the requirement for councils to incorporate strategic, operational planning and other micro-economic processes into their administrative and financial activities.

- More competent councillors and staff.

The lack of training and educational opportunities for remote and Aboriginal communities, and the high attrition rate of Town Clerks and other key staff, are major obstacles to progressing effective self-management in those communities. Elected members often have limited understanding and experience of the purpose of local government and its management structures, much less the skills required to lead and oversee their development. They also face dilemmas of recruitment and retaining suitably

credential staff and of establishing processes for ongoing skill transference into their communities. The reform process will assist in these areas through increasing the training and skill development of elected members and council employees through the development, facilitation and delivery of education and training opportunities to local government personnel.

- Funding tied to achieving reform objectives.

It is critical to the implementation of the reform and development agenda that the reforms proposed are positively received and supported by the local government industry. It is appropriate, therefore, that the proposals are supported by recognisable financial incentives. To achieve this, funding programs will be under review and will also be subject to the application of performance indicators as one of the criteria for the allocation of funds on a community by community basis.

- More use of electronic communications in assisting service delivery.

Universal electronic information sharing will be a major catalyst in promoting the implementation of the reform and development agenda. Whilst information technology is integral to most council's business processes, this has not yet extended beyond the boundaries of individual councils. Moreover, there is currently no formalised communications platform that would enable the sharing of information between councils to the extent that it would significantly enhance their performance.

RECOMMENDATION 27.

The Committee is supportive of the aims of the local government reform agenda and, while it recognises the difficulty of implementing reform, it suggests that flexibility and cooperation are the key issues.

7.4 Local Area Development/Regional Planning

The concept of local area development is a simple one, and is based on a belief that the establishment of strong social and economic links with neighbouring communities is critical in order to provide a secure basis for the continued progression of community development principles. These 'areas' are often referred to as 'communities of interest' and often reinforce cultural or other existing relationships in the area.

The Committee believes that this concept should be encouraged in an attempt to create some economies of scale amongst the existing councils, as well as ensuring the more efficient use of existing resources. It would be appropriate therefore for councils to encourage the development of local area strategies that articulate local objectives, identify available resources and recognise the opportunities for the realisation of economic and social benefits. These may include:

- social and economic benefits as a result of trade practices which would have the potential to maximise employment and development skills, encourage industrial growth and allow for the local retention of funds;

- substantial savings through the joint purchasing and ownership of plant and equipment, together with ensuring the optimal use of such equipment;
- financial benefits realised from the development of economies of scale in purchasing;
- establishment of joint enterprises such as clubs, stores, tourism ventures, etc;
- economies in terms of staffing and expertise as a result of amalgamated administrative arrangements; and
- economies that may result through shared arrangements with respect to the provision of local government services and programs. These may extend to the management and operation of social programs.

The Committee envisages that once these structures are established and operating successfully, consideration should be given to formalising them through the development of recognised and accepted regional plans. These plans, whilst recognising the above points, should however have their origins from the respective community plans and should encompass and formalise the following:

- services to be provided on a regional basis;
- identification of particular communities which will serve associated communities and outstations on a sub-regional basis;
- provision for region-wide trends such as the possibility of population movements to larger communities as facilities are improved and housing provided;
- locations subject to periodic, temporary population increases due to family gatherings, ceremonies, etc. requiring facilities that can cope with the increase;
- priorities of service provision between and within communities; and
- broad specifications for essential service equipment within the region aimed at a degree of standardisation, simplicity, reliability and ease of operation and maintenance.

The Committee is aware that a number of local area development models were established primarily for the management of the Strategic Road Project. It would appear appropriate that an assessment of the relative success of these models be undertaken to establish a framework for the extension of this concept to other areas of the Northern Territory.

RECOMMENDATION 28.

The Department of Local Government explore the opportunities for resource sharing and regional planning amongst councils and other service providers consistent with Recommendation 27.

7.5 Increased Use of Information Technology (IT)

Generally the use, exploitation and management of information are crucial tasks that assist in ensuring the success of all organisations. Such information management is generally known as information technology.

While all organisations, large and small, have information systems to satisfy the need for information flows both internally and externally, the majority of Aboriginal communities have been primarily denied access to this information revolution through the absence of the appropriate telecommunications infrastructure in remote Northern Territory. Therefore, whilst information technology is integral to most councils' business processes, this has not yet extended beyond the boundaries of individual councils. There is currently no formalised communication platform which would enable the sharing of information between councils to the extent that it would significantly enhance their performance.

Local government associations interstate have established communications networks via both the internet and closed area linkages which provide for the sharing of information concerning purchasing, legislation, legal opinions, training, etc. as well as the creation of bulletin boards and e-mail communications.

To date, communication and information management for the majority of the Northern Territory remote councils has been through the more conventional methods utilising telephones, facsimiles and personal computers.

This situation is being addressed through the Regional Telecommunications Infrastructure Fund, which was established through the partial sale of Telstra. This fund is supporting the Commonwealth program 'Networking the Nation'.

It is the Committee's understanding that LGANT has been successful in securing RTIF funding to conduct a pilot program supplying internet and e-mail facilities to four isolated communities — Milikapti, Titjikala, Aputula and Wadeye. This pilot program will assist the Northern Territory Government's 'Electronic Outback Program' which aims ultimately to supply these facilities to fourteen remote areas. It is interesting to note that the difficulties in implementing this technology have already been highlighted through the withdrawal of one community from the pilot program. Aputula was unable to continue because of the inadequate quality of the existing landline and therefore must wait for the provision of upgraded infrastructure through the Electronic Outback Project.

The pilot program has, however, already highlighted the following problems:

- the requirement for a training program to be developed for those communities that already have access to these facilities however cannot use them effectively;
- the requirement to change current work practices to accommodate the new technology; and
- the requirement for LGANT to upgrade its internal network to handle the additional expected traffic.

It is anticipated that once the network service has been established, it will provide through LGANT readily available information in the following areas:

- legal opinions;
- annotated legislation;
- local government directory (including population, council area, key personnel, address, name, council status, etc.);
- local government yearly planner;
- bulletin board forum for information exchange;
- e-mail communications;
- government policies and programs, funding methodologies etc;
- newsletters and circulars;
- training aides; and
- electronic data returns.

Given this investment through both LGANT and the NTG, the challenge for both LGANT and the DLG is to ensure that the technology is fully utilised to improve the efficiency and effectiveness of the Northern Territory local governing bodies.

RECOMMENDATION 29.

The Department of Local Government and LGANT investigate the opportunities and benefits for the increased use of information technology in community management.

7.6 Performance Monitoring and Accountability

Performance management and public accountability are recognised as key issues in the performance of councils. To improve performance in all areas of council operations governments of all States have initiated local government reforms. The nature of the reform process has varied from the cooperative arrangements adopted in the Northern Territory and South Australia to the compulsory and highly regimented nature of the Victorian experience. Whilst some councils, mainly the municipals, have in recent years developed strategic and corporate plans, the majority of the Territory councils do not engage in any formal planning processes outside of those required to formulate their annual budget, or to comply with Commonwealth Government or NTG funding programs. Visits made by this Committee during the course of the review have revealed that the issue of accountability of councils both to Government and to their electorates remains high on the councils' agenda. This has occurred largely as a result of issue based criticism from constituents, other councils, the NTG and the Commonwealth Government.

While the *Local Government Act* provides the framework for the financial monitoring of council's finances, accountability goes well beyond ensuring that funds are expended against an approved budget. The real crux of accountability is the measurement of outcomes achieved against the cost of achieving them to ensure that the council constituents are getting 'value for money'. This task has proved difficult to date for the following reasons:

- often there is no community plan in place which quite clearly enunciates the outcomes that are being sought and the proposed strategies to achieve them;

- there are limited, if any, performance indicators that have been established to determine the relative efficiency and effectiveness in which services are being delivered; and
- given the variety of the charts of accounts that are utilised by the respective councils, it is not always easy to reconcile expenditure against particular line items.

During the Committee's visits there were two issues relating to performance monitoring and accountability that were raised on a regular basis. Councils were firstly concerned about the issue of performance indicators and the fact that all the funding methodologies used by both the DLG and ATSIC took little credence of a council's performance, or lack of it, in the allocation of funding. There was strong support for the introduction of agreed performance monitoring and the incorporation of such indicators into future methodologies. Performance indicators have a dual function in that they allow councils to identify strengths and deficiencies in their operations, as well as providing a greater level of accountability for both itself and the funding agencies. It is the Committee's understanding that there has been some work carried out by DLG in this area and it strongly supports the further development of indicators and their application for the allocation of local government funding.

There was also concern expressed about the acquittal of procedures in relation to the diverse, and often time-consuming methods required by the various government agencies to acquit grants. It appears that in most cases, DLG accepts the council's audited financial statement, however the diverse range of the charts of accounts developed by the councils can make the acquittal process convoluted. On the other hand, ATSIC does not accept audited statements and requires more detailed specific documentation to be completed. Given the limited resources that are available to most councils, this requirement places a disproportionate workload on staff, often distracting them from their more essential tasks. It appears to the Committee that with limited negotiations between the councils and the relevant agencies, an acceptable chart of accounts could be developed and adopted by the councils. This chart of accounts could be structured such that it would adequately address the council's financial requirements together with the acquittal requirements of the various funding agencies.

CHAPTER 8 - TERM OF REFERENCE 1(F)

Strategies for capitalising on the training and employment opportunities implicit in infrastructure development and maintenance projects undertaken on aboriginal communities

8.1 Introduction

The isolation of many Aboriginal people from the mainstream economy, regardless of location, results in greater social and economic disadvantage than that experienced by the wider community. Positive steps by welfare programs to promote employment and self-sufficiency will more rapidly redress the resulting outcomes of low self-esteem, low educational attainment and anti-social behaviour. A concerted effort by service providers to: promote community employment and self-management; provide on-the-job training; and actively encourage employment of Aboriginal people in mainstream agencies, will provide the most immediate stimulus to the economic and social development of Aboriginal communities.

Generating employment and establishing a viable economic base in these communities has many major obstacles, as they are frequently remote, have poor infrastructure, and few marketable economic advantages. Many are still in a situation of social flux due to the emergence of the outstation movement and the slow process of regaining traditional lands. Notwithstanding this however, the importance of infrastructure and infrastructure development cannot be understated. Given the infrastructure deficit inherited at the time of Self-Government, the rectification of this situation has the potential to provide significant employment and training opportunities. This was recognised by Pritchard, Livesman and Cunneen (1990), who stated:

In terms of Aboriginal economic development, the importance of infrastructure is its ability to provide a platform for improvements in aboriginal financial and social well-being. Without infrastructure and services such as education, safe water, housing and transport the opportunities for economic advancement of aboriginal people would be minimal (p. 4).

The challenge for the Territory and its Aboriginal constituents is to make the most of these opportunities. There are a number of strategies that should be considered to improve the current situation. These include, but are not limited to, the following:

- on-the-job training;
- development of Aboriginal enterprises;
- enhancement of the Community Development Employment Scheme; and
- implementation of low technology projects.

8.2 On-the-Job Training

There is little doubt that given the remoteness of many Aboriginal communities, the most appropriate and cost-effective method of training is provided on the job where residents can remain on their community in an environment that is conducive to their education and well-being. There is considerable scope to further Aboriginal enterprise by Territory agencies promoting and assisting with on-the-job training, dwelling construction, maintenance teams,

and essential service operators. Some successful initiatives have been implemented in this area, but coordination of the effort of agencies with training authorities is necessary to ensure that trainees obtain recognised qualifications that enable them to extend their activities into the wider community.

To further develop training opportunities the Committee believes programs for the provision and maintenance of essential services to Aboriginal communities should promote Aboriginal enterprise through a policy of establishing regional construction and maintenance contracting teams with on-the-job training linked with courses provided by training agencies. While attempts have been made to employ this type of strategy in the Northern Territory, the Committee was confronted with evidence that many contracts let for communities are configured in such a manner that their dissection to allow communities to undertake components of the contract is at times difficult and sometimes impossible.

The issue of training was frequently raised by community members in relation to the difficulty of accessing training, the *ad hoc* nature in which training is delivered and, at times, the expense of training where it is outsourced to other organisations or private enterprise. This issue was highlighted at the community of Alalpita where the council was quoted approximately \$5,000 by an Alice Springs based company to undertake two days basic computer training at the community. Had the training been undertaken in Alice Springs, the cost would have been reduced by some 70 to 80%.

A further issue is the appropriateness and ease with which training in a commercial environment can be successfully undertaken. This particular issue was encountered during the Strategic Road Project that was managed by LGANT. The coordinator, Mr Peter McLinden, indicated that training in this environment was difficult given that commercial principles dictate work should be essentially completed in the most efficient manner to maximise profit. This clearly cannot be achieved if a training requirement is incorporated into the total contractual requirements. Mr McLinden suggested that if such training was going to be a prerequisite for subsequent contracts:

... there should be a designated section of say a road contract which should be the training component of the contract and the remainder of the work is done strictly under commercial operations.

This would allow the contractors to devote the appropriate resources to the training requirement without impinging on the commercial operations of the remaining work.

RECOMMENDATION 30.

Government contracts should be restructured to facilitate the easy management of a training component.

Further, the Committee understands that while use of local labour by contractors is encouraged by the Department of Transport and Works, it is not a contractual requirement. Given that a large percentage of the employment and training opportunities on these communities are generated through government contracts, the Committee believes that this requirement should be embodied in all future contractual arrangements where feasible.

Given the fact that most communities will require major infrastructure construction for many years means that there will be significant ongoing opportunities for employment in these activities for local Aboriginals. This is highlighted through the current HIPP/NAHS projects which have provided a number of employment and training opportunities to Aboriginal people. Participation in such activities is generally determined by the Aboriginal willingness to be employed in construction and the attitudes of construction contractors to Aboriginal labour. There have been loud calls by Aboriginal organisations over recent years for construction contractors in Aboriginal communities to use local labour, however the extent to which this occurs has varied significantly between communities.

RECOMMENDATION 31.

Contractors be required to provide local employment opportunities when undertaking work on Aboriginal communities on behalf of the Northern Territory Government. This requirement is to be monitored by the appropriate agency.

8.3 Development of Aboriginal Enterprises

Promotion and support of Aboriginal enterprise projects is uncoordinated and characterised by a number of Commonwealth and State programs directed toward the same end. There is a need to develop a more coordinated approach with collaboration between economic development agencies on initial screening and evaluation, funding, on-going support, monitoring and accountability processes. A framework for this approach has been developed through an initiative of the former Minister for Housing and Local Government, Mr Tim Baldwin, MLA, who convened an Aboriginal Economic Development Group.

There are essentially two ingredients for the establishment of successful enterprises on Aboriginal communities: a dedication and commitment to the venture by community residents, and the provision of establishment funding. One source of such funding can be derived from the Aboriginals Benefit Reserve.

While it is not within this Committee's jurisdiction to make recommendations on the use of, or allocation of the ABR funds, it would appear there may be scope here to further create employment and training opportunities through a more targeted application of these funds.

The major functions of the ABR, as outlined in its 1997/98 Annual Report, are:

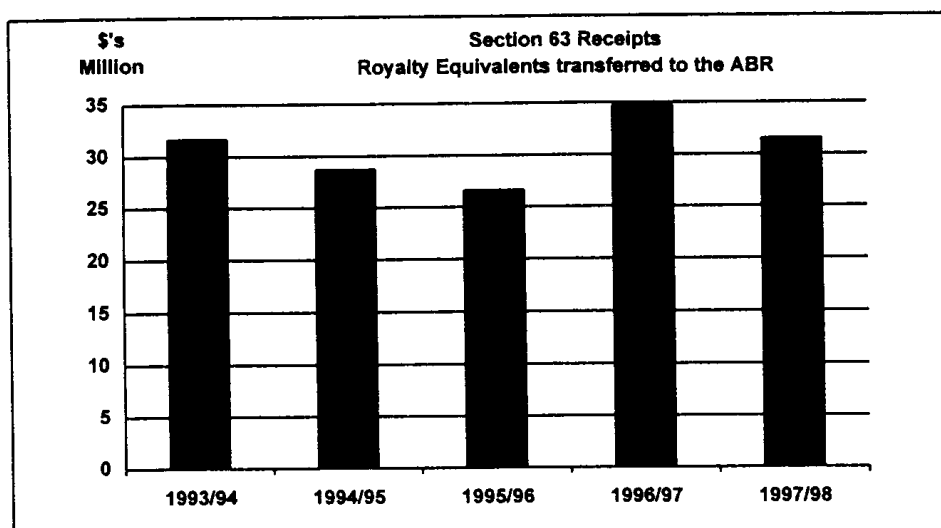
- To receive the equivalent of mining royalty moneys derived from mining operations on Aboriginal land in the Northern Territory, and such other income as outlined in section 63 of the Act (refer to subsections 63(2) to 63 (4));
- To make payments to Aboriginal land councils in the Northern Territory in the proportions determined by the Minister for Aboriginal and Torres Strait Islander Affairs, to meet their administrative expenditure. The disbursement ratios are set out in the financial statements. The Act requires that administrative expenditure of the land councils is to be in accordance with the estimates of expenditure approved by the Minister. The Act also requires land councils to submit audited financial statements to the Minister;
- To make payments to the above-mentioned land councils for distribution to incorporated Aboriginal associations, communities or groups in order to benefit those Aboriginal people

who are affected by mining operations. These payments are directly linked to the amount of royalty equivalent moneys received in respect of mining in the areas concerned;

- To make payments to other Aboriginal associations, communities or groups who are resident in the Northern Territory. In this regard, the Minister is advised by an Advisory Committee;
- To make such other payments as directed by the Minister which are in accordance with the provisions of section 64 of the Act.

The following table shows the Section 63 receipts from royalty equivalents transferred into the ABR during the past five years.

Table 7 - Receipts - Royalty Equivalents transferred to the ABR



It is the Committee's understanding that the policy recommendations made to the Minister for grant funding in the 1997/98 financial year comprised the following categories and allocations:

Ceremonial Funding	\$1,000,000
Outstation Funding	\$3,000,000
Family Projects	\$1,500,000
Small Projects	\$1,500,000
Major Enterprises	\$4,000,000
Total	\$11,000,000

The Committee understands that significant expenditure is incurred on an annual basis for the purchase of capital items rather than investing a greater proportion of the funding into projects that can generate and sustain employment, training and income generating opportunities. Whilst the Committee recognises the difficulty in establishing such enterprises, it is of the opinion that the emphasis for the ABR funds should be aligned closer to initiatives that have on-going benefits to Aboriginal people. These could occur particularly in the area of tourism, pastoral and horticultural activities. The Tiwi Islands are a good example of what can be

achieved with a little vision, commitment and appropriate financial resourcing and management.

RECOMMENDATION 32.

The Northern Territory Government seek ATSIC support for a greater proportion of the Aboriginals Benefit Reserve funds to be directed into economic development projects that create ongoing economic benefit, as opposed to the purchase of capital items.

An extension on this theme (with the advent of native title), would be to consider the injection of resources into similar activities through the negotiation of native title compensation. These activities could include the upgrading of community infrastructure, purchase of business enterprises, etc. The precedent for this type of negotiation has already been set by the Jawoyn people in the Katherine region who are negotiating the waiver of their native title rights essentially in return for the development of community infrastructure within the region. While this is seen by some Aboriginal interests as a denial of their natural rights, it has been seen by the Jawoyn people as an opportunity to significantly advance infrastructure development and the associated training and employment opportunities that will be derived from such activities.

It is this type of forward thinking, and collaboration with appropriate stakeholders that will provide the greatest opportunities for Aboriginal advancement into the next millennium.

8.4 Community Development Employment Program Scheme (CDEP)

CDEP is a program whereby the incorporated bodies in Aboriginal communities receive grants roughly equivalent to the total value of the unemployment benefit entitlement of community members. This money is paid to an appropriate organisation instead of having individuals receive those benefits directly. The grants are used by participating organisations as wages for the creation of jobs in community development activities. The aim of the Scheme is to provide an opportunity for work and training for which individuals receive an income roughly equivalent to that which they would otherwise be entitled from the Department of Social Security (DSS). The Coalition Government in 1977 introduced the CDEP scheme on a pilot basis for remote Aboriginal communities.

Initially, twelve communities participated in the CDEP scheme and several more sought participation. The scheme experienced severe budgetary and administrative problems during its early years and expanded only once — from 12 to 18 communities and from 800 to 1300 participants during the late '70s. It then remained frozen at these levels during the early '80s while the payment of unemployment benefits to Aboriginals and other remote communities gradually spread. In 1983, the budgetary and administrative problems of the CDEP scheme appeared finally to be resolved. The scheme began expanding and, in the process, started taking over the payment of unemployment benefits from DSS. By 1985-86, CDEP involved 38 remote Aboriginal communities and 4,000 participants.

Growth of the CDEP scheme into the mid-1990s outstripped even the ambitious targets set by the Aboriginal Employment Development Program. The scheme increased to 169 communities and 18,000 participants of which 32 new communities involving

approximately 1,658 new participants were in the country towns and the large urban areas located in the more settled south-eastern States of New South Wales and Victoria.

There is little doubt that in recent years the most important employment initiative in major communities has been the implementation of CDEP. This scheme (amongst other things) has given the participating communities the capacity to tender competitively for contracts by using CDEP subsidised labour to undercut competitors. This is an area that should be explored more fully by coordinators.

As there has been an extensive review of the CDEP Scheme recently, it is not the Committee's intention to conduct its own review of the effectiveness of the scheme in this Report. However, there were a number of concerns regarding the scheme that were relayed to the Committee during the course of its travels that require further investigation. These concerns were associated with the aspects of eligibility and allocation of the available financial resources.

It was generally agreed that the provision of CDEP to a community was a major catalyst for the economic and social advancement of that particular community, often at the expense of the others in the region who have had their application rejected. What was unclear to the Committee was the process of decision-making, that dictated success or failure. This was highlighted to the Committee by the Anmatjere Community Government Council who advised that one of their member communities had applied to the Alice Springs ATSIC Regional Committee for funding and was rejected, but when they applied to the Barkly Regional Committee they were successful. This would indicate that the criteria might not be assessed on relative need, but more on the availability of funding in the respective ATSIC regional budgets.

A situation exists where division can and is created between neighbouring communities one of which receives a substantial amount of annual funding, including a capital component, while the other attempts to survive on limited own source funding and available government grants. The Committee has struggled to come to grips with the fact that there is not a more equitable allocation of these resources across all communities wishing to participate. If a per capita allocation were made to all communities meeting the expressed eligibility criteria, instead of having a minority of communities receiving 100% of their stated requirements, a more equitable allocation of CDEP funding would be achieved. As additional positions became available they could be distributed accordingly.

Given that 60% of the funding is derived from unemployment benefits, there would appear to be an issue of social justice that would demand the allocation of CDEP funds be on a more equitable and transparent basis.

The other area the Committee had difficulty understanding was the expansion of the scheme in recent years to urban areas of high Aboriginal unemployment. As the scheme was originally developed to create employment opportunities in areas of limited employment (primarily discrete Aboriginal communities), it would appear more appropriate that until the original demand has been met the scheme should not be expanded into areas where there are other support and training mechanisms available to its residents.

RECOMMENDATION 33.

The Committee strongly recommends that the Commonwealth expand the level of CDEP funding until the demand is adequately covered.

RECOMMENDATION 34.

Discussions be initiated with appropriate agencies regarding a rationalisation of the current CDEP arrangements. Discussions should focus on the level of CDEP available to all communities expressing an interest in participating, rather than the current ‘all or nothing’ approach.

RECOMMENDATION 35.

CDEP be applied on a proportional basis to all communities requiring it.

8.5 Implementation of Low Technology Projects

One area that does not appear to be utilised to its potential is the deployment of labour intensive, low technology initiatives for the advancement of communities. It is accepted that on the majority of communities the potential labour force is significant, particularly where CDEP is in operation. It would appear from the Committee’s investigation that appropriate use of this largely untapped resource is rarely utilised.

The Committee is aware that the Maningrida Council utilised their labour force to great effect to seal a significant portion of their internal community road network. The work was labour intensive and made possible because the work crew were using ‘cold mix’ bitumen that was laid behind a standard trailer. The ‘cold mix’ could be mixed using local labour as it could not burn operators and did not require pressurised spraying equipment. While the finish was not to the same standard as a ‘hot mix’ road it was done at a fraction of the cost, provided a number of employment opportunities and had the effect of significantly reducing the dust within the community.

RECOMMENDATION 36.

The options for appropriate technology, with the optimal use of labour opportunities on Aboriginal communities should be investigated.

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ATTACHMENT A

HEARINGS HELD IN DARWIN, ALICE SPRINGS AND NHULUNBUY

Date	Name	Department/ Organisation	Location
30 April 1998	Mr David Rolland, Assistant Secretary, Road Development Division	Department of Transport & Works	Darwin
7 July 1998	Staff	Department of Housing and Local Government, Local Government Division	Alice Springs
7 September 1998	Mr Alex Blake, Director	National Office of Local Government	Darwin
7 September 1998	Mr Jeff Hoare, Executive Director Mr Peter McLinden, Policy Officer, Transport Infrastructure	Local Government Association of the Northern Territory	Darwin
7 September 1998	Mr Bob Beadman, Secretary Mr David Coles, Assistant Secretary, Local Government	Department of Housing and Local Government	Darwin
7 September 1998	Mr Ross McDougall, A/Deputy State Manager Mr Michael Lane, Manager, ABR Mr Gerry Thomas, NAHS Coordinator	Aboriginal and Torres Strait Islander Commission	Darwin
16 October 1998	Mr Ken Clarke, Under Treasurer Ms Jennifer Prince, Deputy Under Treasurer Ms Catherine Wauchope, Director Public Finance	Northern Territory Treasury	Darwin

ATTACHMENT B

HEARINGS HELD IN REMOTE ABORIGINAL COMMUNITIES

Date	Name	Department/ Organisation	Location
6 July 1998	Mr Anthony Petrick, Chairman Mr John Hayes, Council Clerk	Arltarlpilta Community Government Council	Harts Range
6 July 1998	Mr Allan Jones, Council Clerk Mr Peter Melville	Watiyawanu Community Government Council	Mt Liebig
6 July 1998	Mr Nick Oliver, Council Clerk Mrs Perina Oliver	Areyonga Community Inc.	Areyonga
7 July 1998	Mr Brendan Prendergast, Council Clerk Members of the Council	Anmatjere Community Government council	Ti Tree
7 July 1998	Mr Peter Gunner, Chairman Mr Kenny Club, Vice Chairman Mr Brian Chandler, Council Clerk Mr George Club, Community Police Messrs Louis Pula, Ray Loy, Donny Young, Harold Nelson, Jack Club and George Rumble, Councillors	Urapuntja Aboriginal Council Inc.	Utopia
7 July 1998	Mr Bernie Heare, Council Clerk Mr Jack Wallace, Councillor	Ltyentye Purte Community Government Council	Santa Teresa
5 August 1998	Mr Stephen Garwulga, Vice President Messrs Lazarus Murray, Tim Wilson, Albert Wurrdjal, Councillors Ms Judith Dikstein, Council Clerk Mr Robert Hittmann, Accountant	Maningrida Council Inc	Maningrida
5 August 1998	Mr David Warraya, Chairman Mr Albert Djiwada, Councillor Mr John Horgan, Council Clerk	Ramingining Community Inc	Ramingining
5 August 1998	Messrs Paul Bara, Aloah Bara, and Eddie Mamarika, Councillors Mr Richard Herbert, Town Clerk Mr Geoff Warham, CDEP Coordinator Mr Grant Rubock, Fishing Venture Coordinator Mr Doug Richards, ESO Messrs Peter Mamarika and Jacob Bara	Umbakumba Community Council Inc.	Umbakumba
5 August 1998	Mr Lindsay Joshua, President Mr Jonah Manggurra, Councillor Mr Mujiji Nunggarrgalu Mr Peter Alleman, Council Clerk	Numbulwar Numburingi Community Government Council	Numbulwar

ATTACHMENT C

BROAD PATTERN OF SPENDING IN INDIGENOUS PROGRAMS

<i>Functional area</i>	<i>ATSIC and other indigenous agencies \$m</i>	<i>Other Commonwealth agencies \$m</i>	<i>Significant State specific programs</i>
Housing/Infrastructure/Hostels	310	95	Yes
Employment/Training/Education	360	315	No ^(a)
Health	-	120	Yes
Land/Culture	130	20	Yes
Other	120	40	Yes
ATSIC Administration	140	0	N/A
Total	1,060 ^(b)	590	

Source: Department of Finance

- (a) Other than some specific programs in schools
(b) Variation from budget outlays figures due to agency revenues

ATTACHMENT D

***RAMINGINING COMMUNITY COUNCIL INCORPORATED - 1998-99
COMMUNITY DEVELOPMENT PLAN***

Ramingining Community Council Inc

Community Mailbag 10
Ramingining Arnhem Land NT 0822

Tel: (08) 8979 7906 Fax: (08) 8979 7904
Council Manager direct tel/fax: (08) 8979 7827
E-mail: ramingining.cc@onaustralia.com.au

<h2>Ramingining Community Council Inc Community Development Plan 1998-99</h2>

Plans in currently in operation during the period 1997-99:

1. Housing for Health/IHANTS Housing Maintenance Program

In 1997 the Council implemented a 2-year Housing for Health program, which is being conducted in conjunction with an IHANTS Housing Maintenance program. The Housing for Health program, which is operated in conjunction with the Territory Health Services and the NT Department of Housing & Local Government, consists of a series of major surveys on the condition of all the Yolgnu houses in Ramingining, followed by a major repair and maintenance program.

The initial survey in July 1997 was very thorough and covered three main areas of each house - electrical safety, plumbing and water heating, internal and external housing structure and general sanitary conditions. The object was to first identify those areas that were either not functioning at all or were a health and safety hazard to the house occupants. Once suitably identified, those areas were immediately repaired, replaced or restored.

Another major survey will be conducted in July 1998, and the results of this will determine the emphasis for the second stage of the program. It is intended that at the conclusion of the two-year program all Yolgnu housing in Ramingining will be of a minimum health and safety standard.

The Housing for Health plan is being funded through two IHANTS Housing Maintenance Grants, of \$100,000 and \$53,000 respectively. Council is conducting the maintenance program itself, using its own housing, plumbing and electrical staff including Yolgnu plumbing and building teams. The Yolgnu workers are paid from CDEP funding with the Council "topping-up" their wages.

Plans currently in operation 1997-99, continued:

The primary objective of the Housing for Health program is to demonstrate that if Yolgnu houses can function correctly - i.e. everything works and is regularly maintained to ensure that it keeps working - there will be a corresponding improvement in the occupants' health standards.

It has been demonstrated quite clearly by officers from Territory Health Services and others, that an improvement in the living conditions in existing community housing correlates directly to a dramatic improvement in the general health of the Yolgnu people. Simply building new houses does not solve the problem and while there is always room for new Yolgnu housing, Council has determined to ensure that the existing housing infrastructure is functioning correctly.

2. National Aboriginal Health Strategy Project

Also currently in operation is the National Aboriginal Health Strategy (NAHS) project. This \$3 million program consists of the construction of 7 new houses, the extensive renovation of and extensions to 7 existing houses and the installation of a sewer line from the Ramingining mains through to Tank Camp, where all houses will be connected.

Besides providing much needed new housing and hygienic sewage disposal at Tank Camp, the NAHS program is also allowing the training of local Yolgnu residents in civil works operations and in obtaining housing renovation skills. From this training program it is intended that Council and the Ramingining Homelands Resource Centre (RHRC) develop a pool of skilled road and civil works operators. These operators will be used in future as a combined road construction and development team, with the objective of sub-contracting their skills out to NT Government agencies such as Transport & Works and PAWA.

3. Town CDEP Program

Flowing partly from the above NAHS project is the commencement of a town-based CDEP program. Prior to this, the Council did not have its own CDEP program and all CDEP participants were administered by the RHRC.

However with the advent of the NAHS training programs, ATSIIC, which is one of the NAHS Project administrators, arranged for Council to operate its own CDEP scheme. Although initially operating under the auspices of the RHRC, it is intended during the period of this development program that Council will instigate its own autonomous town-based CDEP scheme. There are several advantages in that Council, as the largest single employer in Ramingining, now has much greater flexibility in utilising its staff resources to achieve maximum benefit for the community as a whole.

Planned Projects for 1998-99

1. BRACS Studio upgrade and Equipment Revitalisation

With the assistance of ATSIC, Council is undertaking a major upgrade of the Ramingining broadcast facility. Essentially, the upgrade consists of the implementation of a new taller transmission mast, more powerful radio and TV transmission equipment, a new satellite receiving dish, and the installation of equipment to enable the community to receive SBS television plus one other commercial network.

The BRACS studio itself will be expanded, with the transmission equipment itself being relocated to a dedicated area on purpose-built racking. This will enable more space for local broadcasting activities and expand the use of the BRACS facility to the community.

2. New Laundromat for the Women's Centre

As part of Council's environmental health program, a community laundromat is to be constructed on the northwestern side of the Ramingining Women's Centre. The Women's Centre building will be extended to provide a large concreted and covered verandah and initially there will be 4 heavy-duty commercial coin operated washing machines and dryers, with provision for the installation of further machines at a later date.

It is intended that this project will allow 24-hour access to clothes washing and drying facilities, while at the same time providing support to other services in the community (e.g. primary health care, scabies control and elimination, etc) as well as providing an independent source of income for the Women's Centre.

3. Refurbishment of Unused House for Visitor's Quarters

Following the successful refurbishment of an abandoned, but structurally sound, house for use as Council staff accommodation, Council has decided to conduct a similar reconstruction on another, adjacent, house.

The purpose of this renovation is twofold: The Aboriginal Resource & Development Services organisation (ARDS) has indicated that it wishes to lease visiting staff accommodation in Ramingining on a long-term basis. Council has offered a self-contained separate bedroom in the renovated house for this purpose and ARDS have agreed. It is intended that the other two bedrooms in the house be used by Council as visitor's quarters, in a manner similar to the Transport & Works VOQ system.

Besides using all our own local labour and resources in the reconstruction and renovation of the house, this project will enable Council to both receive regular income from what was previously an abandoned asset and also to provide a new service to community visitors.

4. Roads Program

As part of an arrangement between Council, Transport & Works and a civil works contractor, who was in Ramingining to undertake separate projects for T&W, there is a partial reconstruction of the main road from the airstrip through to the barge landing being undertaken.

However, there is an urgent requirement for a major reconstruction of the barge landing road. This is a vital services road for the community and although there will be regular maintenance conducted on it by the combined Council/RHRC road crew during the 1998 Dry, there is concern that the road may not survive another Wet without major refurbishment works.

As such, Council is approaching all relevant agencies including the Commonwealth Government in an attempt to procure funding for this most important community link.

On other community roads, Council will be conducting regular maintenance programs, utilising the aforementioned Council/RHRC road teams.

5. Parks & Gardens Program

Following the success of the previous year's tree-planting project, there will be an expanded Parks & Gardens program for the 98-99 period. Because of its newly acquired access to the CDEP program, Council is now able to generate more funding and employment in the Parks and Gardens area. The CDEP program will enable Council to purchase new equipment such as mowers, slashers, post-hole diggers, irrigation and nursery equipment, and other related capital requirements.

This in turn will allow a greatly improved Parks and Gardens service - there should be some noticeable visual improvements to the community's public areas within a relatively short time frame. As well, part of the NAHS program for new and renovated housing includes landscaping and tree planting in which our Parks & Gardens service will be directly involved.

6. Town Water Services

In addition to the Housing for Health project, the community plumber will conduct a program of repair and upgrading of the town's mains water and sewerage piping. This will be carried out under the auspices of the Power & Water Authority.

Much of Ramingining's original mains are now showing marked signs of deterioration as there has been little maintenance in this area over the years. PAWA have agreed that because we have a plumber on site, a regular repair and maintenance program can be undertaken.

PAWA have also announced the construction of two new sewage ponds for Ramingining, and these are scheduled to be in operation within the 98-99 financial year. Again, our Yolgnu civil works team will be involved in this project, both as trainees and as machinery operators.

7. Airport Improvements

Transport and Works have provided funding for Council to install a complete solar powered, battery operated landing lights system at Ramingining airstrip. The lighting system is fully automatic and is operated by the incoming aircraft's pilot.

Although only used in emergency situation with medivac flights, this represents a vast improvement over the current system of placing kerosene flares out on the runway some 20 minutes before the aircraft arrives, as it is both safer and more reliable.

All of the above projects are either currently in operation or are projected for implementation during the 1998-99 period.

They are also over and above the normal Council services such as:

- Housing construction, renovation and maintenance
- Plumbing services
- Mechanical workshop
- Road construction and maintenance
- Civil works
- Hygiene and daily garbage collection service
- Parks and gardens
- Essential services operations
- Library services
- Women's Centre

Future Development Plans

1. Increased co-operation with the Ramingining Homelands Resource Centre

With the adoption of the town-based CDEP scheme and the joint training of civil works operators there has been more of a spirit of co-operation between the Council and RHRC than in the past.

We intend to foster this further, especially in the road/civil works area. In this instance we are in the process of establishing a new body jointly owned by Council and the RHRC, which will be responsible for the conducting of all road and civil works projects in the Ramingining and Homelands area.

The idea here is to maximise resources and make full use of both operators and machinery. It also is designed to discourage both parent organisations from purchasing the same or similar machinery and running them in parallel, thus wasting time and resources.

2. Council Constitutional Development

There have been further delays in developing the Council's new Constitution; there are various reasons for this including the following factors:

The consultation process that is required consists of detailed presentations in language with all of the Liya-Ngarra'mirr mala leaders of the Ramingining and Homelands area. It is very difficult to arrange to have all these people at one place at one time. The consultation process is complicated, lengthy and because it requires total consensus to achieve an outcome, cannot easily or directly be compared with, for example, a Balanda institution such as parliament, even though that is what it is - a Yolgnu parliament.

For example, the development of the Galiwin'ku Constitution took three years. Ramingining's consultation process is much more difficult because of the representation of many more clans than those at Galiwin'ku.

As well, there is the added factor of land tenure. Because Ramingining is effectively an artificially created town, and many clans came here from the surrounding areas such as Milingimbi, Howard and Elcho Islands, most of the clans living here are not traditional owners of this area. They are, in effect, living on someone else's land, and they need permission through consultation, meeting and traditional law processes to live on this land and hence, to make law. The Ramingining Constitution needs to recognise this fact.

3. Conversion to a Community Government Council

The possible conversion to a Community Government Council has been discussed by Council. However, it has been agreed that it is premature to undertake this step at this time.

Future Development plans, continued:

Conversion to CGC, continued:

Instead, Council has requested that provision be made in the new Constitution to allow for possible conversion from an Incorporated Association to a Community Government Council at some later stage. In the meantime, it was thought better to continue as an associated body under the new constitution and then to review the conversion question later. If then it is decided to change to a CGC, the changeover can be undertaken with the minimum of disruption.

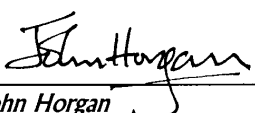
4. Conclusion

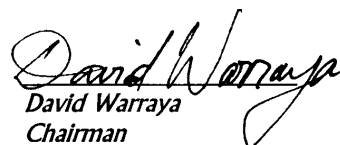
The underlying philosophy of the Council is to become an independent, self-regulatory, autonomous body that provides quality service to the people of our community. We believe we can only achieve this by promoting the concept of self-training and having confidence in our own abilities.

For example, we employ only a few key Balanda staff and Council has a stipulated policy of requiring those staff to train and encourage as many Yolgnu as possible in the job. We have had good success in this area and with the eventual autonomous operation of our CDEP program, there will be even greater opportunities to pursue this concept.

Hence, the ultimate objective of Council is to have trained Yolgnu people working for Council in key positions. Unfortunately, this will only happen when the Yolgnu people decide for themselves that it *can* happen. However, with the establishment of a properly constructed Constitution, there lies an excellent opportunity for this to occur.

As such, we look forward positively to the 1998-99 year.


John Horgan
Council Clerk
1st July 1998


David Warraya
Chairman

DISSENTING REPORT

PUBLIC ACCOUNTS COMMITTEE INQUIRY INTO
FUNDING BODIES ON DEVELOPMENT PROJECTS ON ABORIGINAL
OUTSTATIONS AND COMMUNITIES

DISSENTING REPORT: PETER TOYNE MLA

While the bulk of the majority report and recommendations are acceptable to me, I have felt compelled to write a dissenting report in order to redress what I consider to be a pro-government bias on certain politically - sensitive issues. These are as follows:

1. UNCRITICAL REFERENCE TO THE RECOMMENDATIONS OF THE REEVES REVIEW.

The key recommendations of the Reeves report, calling for the creation of 18 small Land Councils based on language areas has been widely rejected:

- by anthropologists who question its academic basis
- by communities who distrust the NT government and wish to retain the protection of large Land Councils
- by the Mining industry who see the structure as unworkable
- by a majority of Senator's in the current Senate.

Given this situation the Reeves' proposals should not have been used as an ingredient of the Local government reform suggested in the majority report without an outline of the political realities which surround it.

The majority report also makes the assumption that the powers and responsibilities of the Land Councils will somehow become synonymous with those of proposed regional Local government bodies, presumably through the "adequate representation of traditional owners" on such councils. In reality the Land Rights Act 1975 places more stringent criteria on how traditional owners are to be identified, consulted with, and represented than would be possible under such hybrid arrangements. The majority report fails to present any other options for relating Land Councils to Local Government. Instead it toes the Government line.

2. FAILURE TO STATE ALTERNATIVE MODELS FOR LOCAL GOVERNMENT REFORM.

The formation of regional Local government councils based on language areas or other communities of interest has been well publicised as a reform agenda by the government.

These proposals have already drawn angry responses from many communities, who have argued that local autonomy is vital in retaining community support and that amalgamated structures are not necessarily more efficient or effective than the current situation.

In fact some potential results of the government's propositions are just plain silly. For example, the Alyawarra speaking communities were to be formed into a shire, the largest

community of Alpururulam (Lake Nash) would be left 300 kms away from the rest along a road which is impassable after rain for prolonged periods.

Clearly, other options are available and should have been given equal weight in the report. Regional programs such as roadworks, CDEP, and participation in larger scale economic ventures can be generated out of existing Local government structures without amalgamating the councils as a whole. Community-based councils, are probably more efficient in managing localised activities programs, small scale community enterprises, and local public programs including the maintenance of community infrastructure.

Given these considerations, or reform model based on a pragmatic and researched process aimed at identifying which activities result in cost-benefit gains and social acceptability in the eyes of the communities should have been included as an alternative to the government proposals.

3. FAILURE TO REACH A FAIR AND BALANCED VIEW ON OUTSTATIONS, HOMELAND CENTRES.

I would maintain that the majority report bases its assessment of outstations, homeland centres on two key assumptions:

- that continuous occupation is the most important measure of their success
- that the costs involved are debited in total against public outlays.

The impact of outstations/homeland centres is both complex and variable and the majority report begins to address this with a quote to the effect that they can be established for a range of reasons. However this exploration is preceded by a statement that 'scepticism' has been expressed regarding the "motivation" of Aboriginal groups to live on many outstations /homeland centres and the report moves quickly on after the quote to decry the additional public costs which have accrued.

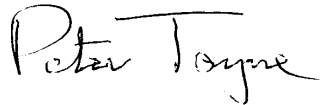
It is my belief that the majority report mistreats the issue of outstations/homeland centres by giving further credence to the often biased and ill-informed opinions of certain public servants by highlighting issues of cost, alleged failure and imputed lack of motivation on the part of Aboriginal people while ignoring clear examples of successful initiatives, high motivation, and the alleviation of far more costly problems in larger communities.

A balanced account of outstations/homeland centres would require that the:

- variety of aims which can underpin these initiatives on the part of Aboriginal people themselves serve as a starting point for assessment rather than simply the issue of permanency of occupation.
- foregone costs of community expenditure on accommodation and public programs or the group in question be taken into account when assessing the cost of an outstation. This to include the long term savings on health, law and order, and community infrastructure which can often accrue.

- cost, style and extent of infrastructure such as water supply, power and housing be matched to the stated aims of the outstations/homeland centres when assessing costs justification. Cheaper and more basic arrangements are possible where occupation is itinerant.
- successes of some outstations/homeland centres in supporting public programs such as the rehabilitation of petrol sniffers, or Aboriginal employment such as that at the Tanami mines be treated as a positive entry in cost benefit assessments.
- aspects of larger communities which are either inefficient or socially destructive be equally acknowledged.

Signed

A handwritten signature in black ink that reads "Peter Toyne". The signature is written in a cursive style with a large initial 'P' and a long horizontal stroke extending from the top of the 'P' across the top of the word 'Toyne'.

Peter Toyne, MLA 9/8/99