

The Secretary
House of Representative Committee on
Economics, Finance and Public Administration
Parliament House
Canberra 2602



At the Crossroads – Inquiry into Local government and Cost Shifting ATSIC Qld State Office Response

Although the headline of the Inquiry talks about cost shifting and there is an impression that the inquiry focus is on the shifting of funding between levels of government, the Terms of Reference touches on some much broader concerns and explores:

- the changes to the roles and responsibilities of local government;
- the relationship between Local Governments and the State and Commonwealth governments and the scope for rationalisation, to provide a more efficient delivery of services to local communities; and
- an evaluation of the Financial Assistance Grants (FAGs) received by Local Governments from the Commonwealth (the largest provider of funds).

Since the mid 1970's the Commonwealth has supported local government with untied Financial Assistance Grants (FAGs) administered under the Local Government Act 1995.

Two thirds of this funding goes to rural and regional Australia including in Queensland, Deed of Grant in Trust (DOGIT) Councils who by their nature are almost entirely reliant on government funding.

However the interests of Aboriginal peoples and Torres Strait Islanders is not solely the province of DOGIT communities. There are other distinct problems experienced by Indigenous people in the wider community in terms of the Local Government structure and access to services.

The steady growth in FAGs and other forms of Commonwealth Government funding to local government has been offset by a relative decline in State Government support. There has also been a very real expansion in the roles taken on by local councils, which has not been matched by this increase in revenue.

Small councils in isolated communities have a distinct disadvantage as they have a low-income source and a low revenue base however they are often the ones in greatest need due to economies of scale in providing the basic services.

Expansion of mainstream local government's role over the past 30 years does not match the level of services required to address the high level of need within the Indigenous communities, which stems from a history of economic and social disadvantage. Aboriginal peoples and Torres Strait Islanders would

be expected to access services at a much higher rate than mainstream society given their disadvantage on nearly every social indicator.

This is not the case and studies show (Commonwealth Grants Commission Report of Indigenous Funding, 2001) that Indigenous Australians in all regions access mainstream services at a much lower rate than non-Indigenous Australians.

Access and Equity

It is not clear whether the Commonwealth Government, in determining its relationship with the State, Territory and local Governments has adopted the principles of social justice¹ in order to protect the fundamental rights of Aboriginal people and Torres Strait Islanders. These principles should be promulgated throughout all spheres of government to ensure that these rights are protected.

It is now apparent that local governments' roles are expanding. They have taken on social community responsibilities, in which they were not previously engaged. Local governments now seek to respond to the needs and expectations of the communities they serve whether provided historically by the State Commonwealth or Local Governments

It is important then for the Commonwealth to make provision for the Aboriginal people and Torres Strait Islanders and to adhere to its access and equity strategy as part of the Commonwealth's commitment to the principle that every resident of Australia should have equal access to and an equitable share of the resources managed by Government.

The achievement of access and equity is currently hindered by barriers such as racism, language, services that are culturally inappropriate in their design and delivery and the lack of services. In discussing the roles and responsibilities of local councils there is a need to think about the design and policy intent associated with these responsibilities so that these barriers can be overcome.

Aboriginal and Torres Strait Islanders voice on mainstream Local Government Councils

Mainstream Councils (local government) present a particular challenge for Aboriginal and Torres Strait Islanders seeking a say and representation at the local level. There is often a perception amongst local government councillors that decisions on services should be linked to rates revenue rather than need.

This being the case it is not unusual for mainstream Councils to be more directly responsive to ratepayers, paying little regard to the services needed by the non-ratepayers, disadvantaged or those socially isolated. This has been a contributing factor to the Indigenous community's local isolation particularly in rural communities.

¹ATSIC's Recognition Rights and Reform 1994 (p12) Recommendation 1 in the priority of reform package.

Conversely in some communities where there is a sizeable Indigenous population some Councils derive considerable income from rates on Indigenous owned properties (i.e. individuals and cooperatives). But there is no, or very little, acknowledgment of the significant contribution made by Indigenous ratepayers to councils income and the local economic base.

Coordination of services and regionalisation

A rationalisation of services is needed to bring about greater capacity and improve outcomes to meet the 1992 National Commitment to Improved Outcomes of service provision to Aboriginal peoples and Torres Strait Islanders in communities.

Coordination of services by all spheres of government and the Aboriginal people and Torres Strait Islanders was identified at the Local Government Ministers' Conference (LGMC) 1994 as necessary to improving service provision to these communities.

An issue of concern is that there is still a lack of co ordination of funding sources from each of the government departments both state and federal which is needed to improve the capacity of communities and meet the needs of Aboriginal people and Torres Strait Islanders in a holistic manner.

Funding certainty also impacts on service provision, as it is difficult for Councils generally to cut back on a service once it has been in operation. Forward planning needs to go hand in hand with any ongoing funding proposals.

The introduction of Regional Agreements is seen as a positive way to increase Local Councils capacity to meet its obligations and responsibilities. The need exists to examine the scope and feasibility of formal agreements in respect of service delivery, land use, political and economic development and maintenance and development of cultural life. ATSIC has an effective regional representative structure with eighty-six (86) elected ATSIC representatives over seven (7) Queensland regions. This network allows for ATSIC to have a strong and representative role in coordinating and directing policies and programs at the regional level.

Further to this is the need to take into consideration the diversity of the community or region and recognition of all governance structures. The Commonwealth should not embark on agreements with the State that bypass the local councils or which do not take into consideration ATSIC's elected representatives.

However the process of regionalisation would be counter productive if the end result produced a 4th tier of government.

Toni Malamoo
Qld State Manager
Aboriginal and Torres Strait Islander Commission