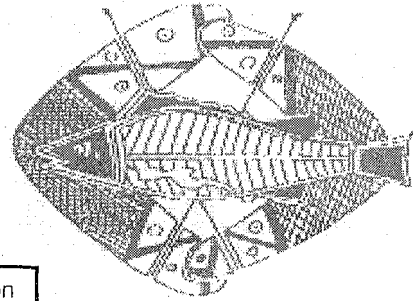


**BARUNGA MANYALLALUK
COMMUNITY GOVERNMENT
COUNCIL**



House of representatives Standing Committee on
Economics, Finance and Public Administration

Submission No: 295

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Secretary:

Submission

to the

**House of Representatives Standing Committee on Economics,
Finance and Public Administration**

Inquiry into Local Government and Cost Shifting

Public Hearing in Katherine

on

Monday 7th October 2002

Mr Chairman and Members,

Preamble

I make this submission with a background of 42 years experience working at senior management level with Municipal Councils and 5 years experience working as a consultant (including relieving work) with Community Government Councils.

I would like to briefly address under resourcing, fiscal equalisation, accountability, service contracts and insurance premiums.

Under Resourcing

Aboriginal Community Government Councils are grossly under resourced to properly carry out their responsibilities.

Their administrative responsibilities are far greater than Municipal Councils – with involvement in such additional services as housing, power, water and sewerage maintenance contracts, airport maintenance, Centrelink agencies, postal services, community policing, administration of emergency relief funding, administration of CDEP, responding to continual surveys, assistance to

countrymen in dealing with personal matters and particularly in accountability requirements as most of their funding is tied and needs to be acquitted and outcomes reported on.

The under resourcing in funds and consequently human resources results in many communities quite often becoming dysfunctional – overspending and not complying with accountability requirements.

Unfortunately, incompetent staff and sometimes crooked people working in Aboriginal communities are sizeable contributors to these problems.

The bottom line is that communities need more funding to be able to attract competent qualified staff and sufficient staff to properly do what needs to be done.

The Committee will no doubt be aware that most Aboriginal communities rely very heavily on Commonwealth and Territory Government grants (mostly tied) to be able to operate – with Aboriginal Land Trust land not being rateable and in many cases

the only revenue raised locally being from nominal house rentals and service charges, given that most community members are either on CDEP or Centrelink benefits.

At Barunga Manyallaluk during the last financial year 77.5% of funding was received from grants and 22.5% from other income, about half of which was from rent.

In the Katherine East Region, we are well on the way to forming the Nyirranggulung Mudrulk Ngadberre Regional Authority which will provide for a central financial administration, shared use of resources and greater purchasing powers, whilst each community will still be responsible for their day to day administration and service provision. The communities involved in these negotiations are Barunga, Manyallaluk, Wugularr, Weemol, Jodetluk and the Jawoyn Association.

Whilst the proposed Regional Authority will help, it will also cost, and I believe that we will still be under-resourced. Time will tell!

When I started doing consulting and relieving work in Aboriginal communities back in 1997 I was shocked and disappointed at the very significant disadvantages suffered by Aboriginal people. I suspect that the average Australian living in the cities has little or no idea how bad things are. To hear people talk about it is one thing, but to observe the situation first hand, is a concerning experience. I can't help but wonder why so little advancement has been made in over 200 years since the dispossession of their land and displacement of their people took place.

With all the surveys of some aspect or another of community life which seem to be going on virtually continually, Governments must have several mountains of information on which to base their future Aboriginal community policies. In the 7 months since I have been helping out at Barunga we have responded to some 18 surveys.

It is my view that more funds need to be allocated for expenditure in communities in the short term in order to achieve long term gains – with education, training, local Council services, health-care, housing, employment, child-care, assistance in developing

economic ventures and sporting and recreation activities to help people feel good about themselves, being all important.

If location, location and location are the keys to property investment, then education, education and education are the keys to achieving self-sufficiency in Aboriginal communities – but education will not happen on its own unless general living conditions can be improved to create the right atmosphere for learning.

Fiscal Equalisation

When the Commonwealth Government decided to provide untied revenue sharing grants to Local Government back in the late 1970's the first distribution of funds was calculated on the basis of fiscal equalisation – the idea being to provide top-up funds to those Council's with revenue raising and expenditure disabilities so that they could operate at reasonable levels compared to others. In other words, to create a more even share of resources across Council's.

This meant that a number of Council's which were well-off, notably the Capital Cities, were not to receive any Federal Assistance Grants.

So, the Lord Mayors and the Mayors of these well-off Councils which were not to receive any grants formed a powerful lobby group which succeeded in having the Commonwealth Government weaken and change the rules so that a percentage of the funds could be distributed on a population basis.

The net result was that the rich Council's got richer and the poor Council's got poorer.

If we are serious about equity we really should be reviewing the distribution of these funds – but I guess it won't happen with the voting strength being in the more populated areas.

Accountability

In a Municipal Council where property rates and various service charges form the majority of revenue and there is very little reliance on tied grants, accountability is relatively easy.

In Aboriginal Community Council's which rely very heavily on tied grants from various sources, accountability can become a nightmare. Many of the funding bodies insist on the grants being kept in separate bank accounts which substantially adds to the time which has to be spent on book keeping and reconciling all of the accounts. I know of one Council which at one stage had 15 separate bank accounts.

Accountability arrangements often require Councils to submit copies of all payment vouchers (invoices) as well as print-outs of the various ledgers, written reports on what has been achieved and audited financial statements.

To give you some idea of what goes on, at Barunga the ladies in our Women's Centre provide a meals-on-wheels service to feed

about 16 old people. Our grant under the HACC program is about \$9,334 per quarter (average for 2001/2002), and yet as well as submitting financial acquittal information and reports on achievements, our women who provide the service have to keep detailed statistics of every meal provided and other personal information about each recipient and every 3 months fill out the answers on a 19 question form for each person who is provided with meals. This is not an easy task for the women, most of whom are grandmothers and have had a limited education. Luckily we get help with the forms from a very co-operative Field Officer from Katherine but the women still have to keep the records. When I recently queried the necessity for these forms I was told that they were very important and were sent to Canberra where they were read and checked.

The authorities need to get real – talk about accountability gone mad!

Anyway, I accept that accountability is important, but with modern information technology and audit requirements, surely the acquittal process can be streamlined.

It would be helpful if all funding bodies could conduct a serious review of their accountability requirements and consult with Local Government in the process.

Service Contracts

Most Aboriginal communities have service contracts or agreements with a number of Government instrumentalities to assist in providing such services as power, water, sewerage, Centrelink, postal, airport maintenance, policing, etc.

Most authorities require Council's to sign detailed legal contracts placing considerable responsibilities on them, so that if something goes wrong, the Council can be held accountable and yet the staff administering these contracts generally have limited education and Council's only receive the bare minimum of fees to provide the services.

For example, at Barunga, Centrelink pays us to employ a Centrelink Officer for 15 hours per week, but the officer actually

needs to work for 20 hours per week in order to be able to provide a proper service to our people.

When dealing recently with the latest Centrelink contract I found some 21 clauses which I believed were unfair to Council and when I tried to negotiate alterations I was told that the contract could not be altered and that we had no choice but to accept it, otherwise our people would be denied a day to day local Centrelink service in the community. So we signed it.

I must say that Centrelink was very polite about it and did take note of my concerns about the contract and said that they would feed the information to their head office for consideration when the contracts were next revised.

I can understand the various instrumentalities being miserly to protect the public purse but I think some of them over-do-it and don't fully take into account the difficulties of providing services in remote areas.

I have no doubt that many local communities subsidise Government services.

There needs to be a review of the wording of Government Service Contracts and the fees paid to local Community Council's – in full consultation with the relevant Local Government Associations.

Insurance Premiums

The outrageous increase in insurance premiums in recent times is a particular problem for Aboriginal communities because of their heavy reliance on grants and revenue raising disabilities.

At Barunga Manyallaluk our insurance premiums have increased by 32% this financial year, requiring Council to pay an additional \$17,000 and we are still awaiting advice on a premium for the Airport, which has been excluded from our overall public liability policy. Also, we are awaiting advice on whether the Barunga Cultural and Sporting Festival will be covered under our overall public liability policy or whether we will have to pay a separate premium.

We simply cannot afford to pay the \$17,000 plus increase in premiums and have applied to the NT Government for a Special Purpose Grant. We are paying the premiums on a quarterly basis and if we do not receive a grant or extra funds from the various funding authorities, there is a possibility that we could be uninsured during the last quarter of the financial year.

There is also a strong possibility that the airport will have to be closed and possibly the long running and popular Barunga Cultural and Sporting Festival abandoned.

It is appreciated that Governments are doing their best to deal with the insurance premium crisis. However, I submit that it is a much bigger problem for Aboriginal communities than it is for the other sectors of Government due to the heavy reliance on grants and very limited revenue raising capacity.

Special assistance is needed.

Conclusion

Despite the lack of resources and sub-standard living conditions there are many great local people in communities who work hard for little pay at times beyond the call of normal duty, to maintain their communities the best they can, and Barunga Manyallaluk is no exception – but more help is needed if living conditions are to be improved and self-sufficiency is ever going to be achieved.

Mr Chairman, I commend your Committee to give serious consideration to recommending-

- the provision of more resources to Aboriginal Communities to improve living conditions and work towards self-sufficiency;
- the re-introduction of fiscal equalisation as the basis for distribution of Federal Assistance grants to Local and Community Governments;
- a review by funding bodies to simplify grant accountability requirements;
- a review by Government Service Authorities of the requirements of Government service contracts with communities;

- a realistic increase in Government service contract fees to communities; and
- special consideration by the relevant funding authorities to assist communities to cope with the dramatic increase in insurance premiums.

Dave Wormald

Town Clerk