House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs

Inquiry into Community Stores in Remote Indigenous Communities

Submission by the Department of Infrastructure, Transport, Regional Development and Local Government

February 2009

Overview

The Department of Infrastructure, Transport, Regional Development and Local Government (the Department) contributes to the well-being of all Australians through the following three outcomes:

Outcome 1: Assisting the Government to provide, evaluate, plan and invest in infrastructure across industry sectors.

Outcome 2: Fostering an efficient, sustainable, competitive, safe and secure transport system.

Outcome 3: Assisting regions and local government to develop and manage their futures.

Through its three outcomes, the Department is responsible for providing policy advice, for delivering programs and for regulation according to the following outputs:

- Infrastructure investment policy and programs;
- Infrastructure investment coordination;
- Transport safety investigations;
- Transport security policy, programs and regulation;
- Surface transport policy, programs and regulation;
- Road safety and vehicle policy, programs and regulation;
- Aviation and airports policy, programs and regulation;
- Regional development policy and programs; and
- Local Government policy and programs.

The Department delivers national mainstream programs and initiatives, but does not have a direct role in service delivery to Indigenous people or communities. However, Indigenous people and communities can benefit from a range of mainstream Departmental programs or initiatives where:

- an Indigenous Council meets the program criteria;
- a Departmental program has specific provisions for Indigenous communities; or
- a significant Indigenous population is located in the area where program funding is provided.

This submission is made by the Department noting that the Committee has expressed a particular interest in the following:

- the role of Regional Development Australia in remote Indigenous communities;
- the role of the Office of Northern Australia in remote Indigenous communities; and
- the effect of freight, transport and infrastructure subsidies or programs on the operation of remote Indigenous stores.

The role of Regional Development Australia in remote Indigenous communities

The Australian Government is committed to engaging effectively with regional Australia.

On 20 March 2008, the Minister for Infrastructure, Transport, Regional Development and Local Government, announced in Parliament that the network of 54 Area Consultative Committees (ACCs) would transition to become RDA committees, effective as of 1 January 2009.

At the 30 July 2008 meeting of the Regional Development Ministers' Council, which includes the Australian Local Government Association, Ministers agreed to work together to align RDA closely with state and territory regional development organisations and local government. Following this meeting, the Parliamentary Secretary for Regional Development and Northern Australia, the Hon Gary Gray AO MP, has been leading discussions with the states and territories about the practical opportunities for more closely aligning the RDA with their regional development organisations. Potential synergies between the work of other agencies and the RDA network are also being explored at bilateral discussions.

In relation to the role of RDA, the Australian Government will rely on RDA to provide advice about regional Australia and continue to perform a range of functions including consultation and community engagement, regional planning, promoting and facilitating access to government programs and community development.

While there is no formal role agreed for RDA specific to remote indigenous communities, RDA does provide a mechanism and an opportunity, as a conduit to government, to represent the interests of communities sharing common features, including Indigenous peoples, metropolitan communities and communities in northern Australia.

The role of the Office of Northern Australia in remote Indigenous communities

The Office of Northern Australia (ONA) was established in March 2008 to provide advice on sustainable development issues in, or affecting, northern Australia including:

- priorities;
- strategies that would promote sustainable development;
- barriers impeding the development of significant initiatives; and
- in consultation with relevant Ministers, broker solutions to improve coordination between government, business and communities on issues affecting northern Australia.

Funding of $2 million a year for four years was provided in the 2008-09 Budget.

While ONA does not have any programs or policies directly relating to the operation of local community stores in remote Indigenous communities, a number of activities were conducted by ONA in 2008 that relate to regions with significant Indigenous populations, including:

- consulting with community, business and government representatives in Perth, Karratha, Broome, Kununurra, Darwin, Katherine, Mt Isa, Cairns, Normanton and Brisbane;
- commissioning the Bureau of Infrastructure, Transport and Regional Economics to produce the first statistical compendium of northern Australia data, including population, the economy and workforce, social conditions, transport, infrastructure, climate, land use and industry;
- commissioning a business plan for ONA with recommendations for an operating model; and
- developing a network of contacts across northern Australia and in the WA, NT and Qld governments to increase awareness of northern Australia and the profile of ONA.

The effect of freight, transport and infrastructure subsidies or programs on the operation of remote Indigenous stores

The following programs administered by the Department may link to the operation of remote Indigenous stores through improving the accessibility of transport to remote communities across Australia.

Remote Air Services Subsidy Scheme

The Remote Air Services Subsidy Scheme (RAAS) subsidises weekly passenger and freight air transportation to communities who would otherwise have no regular access to transport. In 2007-08 the scheme provided services to approximately 9 000 people in 240 remote communities, comprising 75 Indigenous communities and 165 cattle and sheep stations in 10 remote regions across the Northern Territory, Western Australia, South Australia and Tasmania. Funding of $11.7 million is available in 2008-09 to support this program.

Remote Aerodrome Safety Program

The Remote Aerodrome Safety Program (RASP) assists in funding the upgrade of airstrips in remote and isolated communities across Australia. Projects funded under the program help improve the accessibility of airstrips and facilitate the provision of non-commercial essential community air services including delivery of food supplies, community mail, passenger transport services, medical supplies and medical care. Funding of $6 million is available in 2009-10 to support this program.

Other programs which may indirectly impact on local community stores in remote Indigenous communities

Roads to Recovery

The Roads to Recovery program provides funding direct to local councils for road works chosen by the councils and to states and territories for roads in unincorporated areas. Each funding recipient has a set life of program allocation for the period 1 July 2005 to 30 June 2009.

Each funding recipient also received a Supplementary Roads to Recovery grant in June 2006 equal to one quarter of their life of program allocation under the main program. (Note that this was a one off grant to be spent before 30 June 2009 and is not part of the new program).

The program has been extended for the period 2009-10 to 2013-14 with funding increased from $307.5 million to $350 million per annum. Individual council allocations for the new program will be determined closer to the commencement of the new program.

In Western Australia, $4.2 million of Roads to Recovery funds under the current program are reserved for Aboriginal access roads projects. Funding for Aboriginal access roads is expected to continue under the new program but the amount of funding to be reserved for any such projects is yet to be determined.

Local Government Financial Assistance Grants

Local Government Financial Assistance Grants (LGFAG) grants are provided under the Local Government (Financial Assistance) Act 1995 (the Act). They have a general purpose and an identified local road component, which are untied, allowing councils to spend the grants according to local priorities.

Local government grants commissions have been established in each State and the Northern Territory to recommend the distribution of the LGFAGs to local governing bodies in accordance with the Act and the National Principles for allocating grants. The 2008-09 total grant payment of $1.891 billion is 7.1% or $125.3 million more than the 2007-08 payment.

Details of funding to Indigenous councils from the LGFAGs and Roads to Recovery programs in 2008-09 are provided in a table at Attachment A. The definition of an Indigenous council area is one where the majority of its residents are Indigenous. It should be noted that none of the funding listed in the table is paid to councils on condition that it is spent on Indigenous needs, except for special roads works funding in the case of Western Australia's only Indigenous council. As well, none of the funding listed in the table is allocated to councils on the basis of Indigenous need, other than a slight portion of the general purpose financial assistance grant which varies between jurisdictions according to each jurisdiction's financial assistance grant allocation methodology.

Infrastructure Australia Audit and Priority

Infrastructure Australia (IA), the body established to provide advice to the Australian Government on infrastructure issues, has completed a national audit of infrastructure which will form the basis for an infrastructure priority list. The priority list will provide guidance to investment by governments on critical infrastructure, including allocations from the Building Australia Fund. In December 2008, IA reported to Government on the audit and provided an interim priority list of 94 projects which will require further analysis. A final priority list will be provided to Government in March 2009.

Improving the delivery of essential services to Indigenous communities was among seven themes identified in IA's audit to meet Australia's infrastructure challenges. Additionally, IA noted that infrastructure needs and shortfalls in Indigenous communities are not well quantified and funding is often not delivered in a coordinated manner. Among recommendations IA made were that Indigenous Australians be included in planning processes to address their infrastructure needs and that infrastructure provision in Indigenous communities needs to be well planned and coordinated across all spheres of government.

The COAG Infrastructure Working Group (IWG) has been working with the COAG Working Group on Indigenous Reform (WGIR) to identify ways in which they might work together to address Indigenous disadvantage. On 29 November 2008 COAG agreed that under the new National Indigenous Reform Agreement a National Partnership agreement be developed on the infrastructure needs of 26 remote Indigenous locations for consideration at the Closing the Gap COAG in 2009. The October WGIR agenda paper to COAG, sought agreement that:

> "the WGIR develop a reform proposal in consultation with the Infrastructure Working Group in relation to the infrastructure needs of agreed locations for consideration by COAG in early 2009".

As part of this consultation process, the WGIR Infrastructure Subgroup and the IWG Indigenous Subgroup will be meeting in early 2009 to begin identifying infrastructure requirements in 26 Indigenous communities.

East Kimberley Investment Package, Western Australia

Indigenous communities can expect to benefit from the significant injection of funds from the Commonwealth and Western Australian governments through the focus on the East Kimberley region. The Commonwealth is contributing $195 million over 2008-09 and 2009-10 to support economic development in the East Kimberly region.

The investment package is part of the Commonwealth's $4.7 billion Nation Building initiative and is to be matched by the Western Australian Government's investment in the Ord Expansion project.

The Commonwealth investments are being targeted to meet the current and future social and economic needs of the East Kimberley region, including infrastructure to support sustainable growth and improve productivity, work training and productive employment opportunities, and investment in much needed social infrastructure. Scoping of the key social and economic needs in the East Kimberley region is currently underway and a report is expected in March 2009.

Funding to Indigenous councils under Local Government Financial Assistance Grants and Roads to Recovery Program

LGA Number	Council Name	Financial Year	State	General Purpose.	Roads.	Roads Special Works.	R2R	Total
70070	Barkly	2008/2009	NT	$1,628,529	$406,473	$0	$97,801	$2,132,803
70011	Belyuen	2008/2009	NT	$15,902	$27,945	$0	$43,429	$87,276
70071	Central Desert	2008/2009	NT	$916,032	$729,469	$0	$312,362	$1,957,863
70072	MacDonnell	2008/2009	NT	$1,013,114	$690,969	$0	$209,685	$1,913,768
70069	Roper Gulf	2008/2009	NT	$1,346,322	$817,106	$0	$632,351	$2,795,779
97040	Tiwi Islands	2008/2009	NT	$254,178	$751,190	$0	$683,143	$1,688,511
70051	Trust Account	2008/2009	NT	$0	$984,948	$0	$118,020	$1,102,968
70068	Victoria - Daly	2008/2009	NT	$1,151,987	$1,296,217	$0	$392,355	$2,840,559
70066	West Arnhem	2008/2009	NT	$947,160	$971,974	$0	$619,682	$2,538,816
30250	Aurukun	2008/2009	QLD	$1,137,776	$92,465	$0		$1,230,241
30004	Cherbourg	2008/2009	QLD	$241,144	$43,259	$0	$104,534	$388,937
30008	Doomadgee	2008/2009	QLD	$568,110	$68,001	$0	$82,201	$718,312
30010	Hopevale	2008/2009	QLD	$545,611	$90,592	$0	$163,343	$799,546
30012	Kowanyama	2008/2009	QLD	$710,583	$103,302	$0	$24,936	$838,821
30014	Lockhart River	2008/2009	QLD	$661,655	$124,970	$0		$786,625
38000	Mapoon Aboriginal Council	2008/2009	QLD	$572,687	$18,119	$0	$42,208	$633,014
35250	Mornington Island	2008/2009	QLD	$1,284,362	$259,857	$0	$397,112	$1,941,331
30026	Napranum	2008/2009	QLD	$454,629	$17,907	$0	$41,024	$513,560
30033	Northern Peninsula Area	2008/2009	QLD	$2,013,862	$182,300	$0	$408,067	$2,604,229
30018	Palm Island	2008/2009	QLD	$511,280	$38,399	$0	$101,513	$651,192
30019	Pormpuraaw	2008/2009	QLD	$571,362	$259,688	$0	$144,882	$975,932
30032	Torres Strait Island	2008/2009	QLD	$5,731,320	$140,647	$0	$198,308	$6,070,275
30027	Woorabinda	2008/2009	QLD	$218,941	$44,593	$0		$263,534
30028	Wujal Wujal	2008/2009	QLD	$200,259	$12,422	$0	$30,403	$243,084
30030	Yarrabah	2008/2009	QLD	$410,456	$47,671	$0	$109,645	$567,772
40008	Anangu Pitjantjatjara	2008/2009	SA	$955,392	$118,819	$0		$1,074,211
40007	Gerard	2008/2009	SA	$37,286	$15,831	$0	$50,076	$103,193
40004	Maralinga	2008/2009	SA	$77,908	$42,511	$0	$114,475	$234,894
40005	Nepabunna	2008/2009	SA	$23,917	$15,761	$0	$49,858	$89,536
40006	Yalata	2008/2009	SA	$134,207	$34,226	$0	$108,266	$276,699
56620	Ngaanyatjarraku (S)	2008/2009	WA	$2,563,575	$494,598	$456,000	$41,169	$3,555,342
Totals				**$26,899,546**	**$8,942,229**	**$456,000**	**$5,320,848**	**$41,618,623**