



SUBMISSION NO. 152

DEPARTMENT OF COMMUNITY DEVELOPMENT,
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Secretary: *[Signature]*
RECEIVED
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HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
AGRICULTURE, FISHERIES
AND FORESTRY

Dear Chairperson

**INQUIRY INTO FUTURE WATER SUPPLIES FOR AUSTRALIA'S RURAL
INDUSTRIES AND COMMUNITIES**

This Departmental response addresses the issue of present and future water supplies to the more than 700 remote Indigenous communities in the Northern Territory.

Over 600 of these are small communities, known as outstations or homelands. Many of these small communities were established with Commonwealth support and funding prior to the granting of self-government to the Territory in 1978. Following self-government the Commonwealth Government determined to retain control of funding for outstations. This anomalous situation remains unchanged today. Many more outstations have been established with Commonwealth funding since self-government.

Local Government, which normally funds and provides essential services in most areas, is not adequately resourced to provide essential services in the NT. The Commonwealth policy of allocating its funding for local governments amongst the states based on per capita, and not on a needs basis utilising horizontal equalisation, merely reinforces their problems. (See eg DOTARS 2000 – 01 Report on the Operation of the Local Government [Funding Assistance] Act 1995, page 29).

The Northern Territory, through the Indigenous Essential Services Branch of this Department, provides power, water and sewage services to the 71 major Indigenous communities in the Territory, but not to the outstations which are generally serviced by outstation resource agencies. These agencies are funded by the Commonwealth, through the Aboriginal and Torres Strait Islander Commission (ATSIC). Lack of funding for asset maintenance and replacement has resulted in many of these assets being in poor condition.

I now address your committee's terms of reference of relevance to this Department.

23 APR 2003

Inquire into:

- **The role of the Commonwealth in ensuring adequate and sustainable supply of water in rural and regional Australia.**

There is little detailed and up-to-date information on the type or condition of water supplies in outstations. It is estimated that many bores are at a stage where they need re-equipping and pumps need replacing. Similarly, it is believed that many existing above and below ground water distribution systems are in need of replacement.

Although the Territory conducts regular water quality testing of the Indigenous communities for which it is responsible, and takes steps to manage water quality issues, it is believed that no such water testing is carried out in outstations. This could leave the Commonwealth liable under its duty of care responsibilities. There is already a demand in some communities for additional water for irrigation purposes for horticultural ventures. This demand is likely to grow.

- **The effect of Commonwealth policies and programs on current and future water use in rural Australia.**

ATSIC's national policy for outstations, adopted in about 2001, establishes national guidelines which must be met before applications to establish new outstations will be considered. In terms of potable water the policy states: "The water supply must be adequate to sustain the number of people expected to eventually live at the outstation... Applicants should be able to demonstrate that there is an adequate supply of potable water taking into account the quality and quantity of water available and the anticipated population and life expectancy of the proposed developments. In assessing adequacy, a set of standards should be set according to those established by the National Health and Medical Research Council."

Prior to the establishment of this policy several outstations were established by ATSIC in the Territory with inadequate supplies of potable water, and some communities, mainly in Central Australia, are now running out of water.

- **Commonwealth policies and programs that could address and balance the competing demands on water resources.**

There is currently no regime in place that manages demand in either the Territory's major Indigenous communities or the outstations. Consumers do not meet the economic cost of water provision and as a consequence, appropriate controls on water usage are not always in place.

I trust the above information is of assistance to your inquiry.

Yours sincerely



M C Dillon
Chief Executive

☞ April 2003