



**PARLIAMENT
OF
SOUTH AUSTRALIA**

**INQUIRY INTO THE
IMPACT OF AUSTRALIAN GOVERNMENT CHANGES
TO MUNICIPAL SERVICES FUNDING
UPON FOUR ABORIGINAL COMMUNITIES
IN SOUTH AUSTRALIA**

**Fourth Report of the
Aboriginal Lands Parliamentary Standing Committee**

Laid on the table of the Legislative Council and ordered to be printed on 25 July 2007

Second Session, Fifty-First Parliament 2007

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1. INTRODUCTION

The South Australian Aboriginal Lands Parliamentary Standing Committee (ALPSC), established in 2003, is chaired by the Minister for Aboriginal Affairs and Reconciliation. Its six other Members are drawn equally from the House of Assembly and the Legislative Council and, at this time, from three political parties:

Hon Jay Weatherill *Minister for Aboriginal Affairs and Reconciliation*
Ms Lyn Breuer MP *Labor Member for Giles*
Hon Andrew Evans MLC *Family First Party*
Dr Duncan McFetridge MP *Liberal Member for Morphett*
Hon John Gazzola MLC *Australian Labor Party*
Hon Lea Stevens MP *Labor Member for Little Para*
Hon Terry Stephens MLC *Liberal Party*

The Committee aims to build stronger, more direct and more enduring relationships between Aboriginal communities and the South Australian Parliament. As a matter of priority, it consults with Aboriginal people in their home communities and engages with their elected representatives and leaders.

As stated in Section 6 of the *Aboriginal Lands Parliamentary Standing Act 2003*, the Committee has broad powers of review and inquiry into matters affecting Aboriginal lands and the well being of Aboriginal people in South Australia.

In accordance with Section 6 of the *Aboriginal Lands Parliamentary Standing Act 2003*, the Minister for Aboriginal Affairs and Reconciliation requested that the Committee inquire into how recent changes to Australian Government municipal services funding have affected the ability of Aboriginal communities to undertake governance functions, and how this affects the provision of other services to the community.

2. BACKGROUND

In September 2006, the Australian Government's Department of Families, Community Services and Indigenous Affairs (FaCSIA) signalled its intention to cease municipal services funding to 31 Aboriginal Community Councils and organisations from 31 December 2006.

Each of the 31 communities is located within a Local Government area, of which five are located in South Australia namely, Davenport, Umoona, Raukkan, Point Pearce and Koonibba Aboriginal Communities.

The proposed funding changes that were to take affect from 31 December 2006, have been extended to 30 June 2007. However some changes to funding in the Davenport, Raukkan and Umoona Communities had taken place by December 2006, while Koonibba has been assured their funding will be extended to 30 June 2008.

3. PROCESS

This inquiry has been undertaken within a limited time frame, and does not purport to fully canvass the detail of the funding changes, nor fully discuss the complexity of the issues. The ALPSC's intention has been to gain a better understanding of the current and emerging issues faced at the coal face by affected Aboriginal Communities, compile these into a summary report, and, based on the evidence presented, make recommendations to the Australian Government.

The Committee resolved to hear evidence from four South Australian Aboriginal communities, commencing on 28 May 2007, and concluding on 18 June 2007. During that time, 21 witnesses appeared before the Committee representing Aboriginal Community Councils, Aboriginal Community Development Employment Projects (CDEP) organisations and Local Government Councils.

Over four meetings, the Committee has heard from representatives of:

28 May 2007	Raukkan Community Council Raukkan CDEP
4 June 2007	Koonibba Community Council Tjutjunaku Worka Tjuta Ceduna CDEP
13 June 2007	Davenport Community Council Port Augusta City Council
18 June 2007	Umoona Community Council District Council of Coober Pedy

Whilst the focus of the inquiry has been the impact of municipal services funding changes, information has also been received and reported on in regard to the consultation process, the perspectives of Local Government Councils, positive initiatives and outcomes occurring within communities, and witnesses' views on future approaches.

4. EFFECTS OF MUNICIPAL SERVICES FUNDING CHANGES

The witnesses appearing before the Committee raised with clarity and concern many issues which were consistent across all four communities in regard to: Employment; Governance; Service Delivery; Compensating for Changes; Morale, Culture and Identity; and Outside Agencies. These are summarised overleaf with individual community examples.

4.1 Employment

Current and Emerging Issues

- Major under-resourcing of Aboriginal Community Councils with significant loss of funding and reduction in council staff from management, administration and operational areas
- No certainty of re-employment with Local Government
- Difficulties for community members to find employment due to poor literacy and numeracy and lack of transport to main centres
- Support needed for community members to make transition to work outside the community
- Council, community and personal costs of redundancies
- Substantial social welfare and economic issues ahead

Community Examples

Raukkan Community Council

- Lost seven staff including its Coordinator, carpenters and maintenance workers within a two-three month period in 2006
- Employees who have worked for Council for 26 years told to leave in two months
- Municipal services funding reduced by \$115 K from 2005-2006 and concerns it may drop significantly again in 2006-2007
- Limited transport available from Raukkan for community members to seek employment in Murray Bridge and Monarto
- Difficult shift for community members to find work outside the community - will need substantial support to make transition

*"We are a small community. If you lose seven full-time jobs out of the place you are devastated, and that is what happened. No-one wanted to be involved. We had a hard time getting a council together because people could not see the future. That was quite a painful period. It was painful for me as Chair."*¹

Davenport Community Council

- Significant reduction in staff from six to one since December 2006²
- Municipal Closure Officer only staff remaining to do jobs of many others, including administration and payroll

*"[Davenport] community...have seen their husbands, partners, children, nephews and nieces working out there in paid jobs, and then all of a sudden there is no jobs and they are told they could be taken up by the Port Augusta City Council. There is no certainty that any of them would be employed....Certainly there is a lot of unrest in the community because of that."*³

1. Evidence D Walker, 28 May 2007, Q 394

2. M McKenzie 2007, pers. comm., 20 June

3. Evidence D Matthews, 13 June 2007, Q 625

Umoona Community Council

- Municipal services funding for wages for Labourer and Senior Labourer ceased from 1 January 2007
- Municipal services funding for administration and management of communities including 80% wages for CEO, administration staff, finance and payroll clerk will cease from 30 June 2007

4.2 Governance

Current and Emerging Issues

- Governance capacity lost or at risk as Community Councils struggle to operate with no administrative support
- Loss of social capital as Councillors may discontinue representation on wider social development Committees
- Need for greater investment in community governance and not reduction
- Community Housing and Infrastructure Programme (CHIP) Review could have negative impact on a Community Council's revenue and governance capabilities

Community Examples

Raukkan Community Council

- Raukkan Community Council unable to operate and put into effect the decisions of its Council
- Raukkan has no real governance capacity as it has no operational capacity and no administrative support
- Raukkan Community Council as the elected body is highly motivated but need resources to function as a community council and provide leadership

Davenport Community Council

- Funding to pay for office administration will cease from 30 June 2007
- Davenport Community Council Councillors will have no office from which to operate
- Councillors may have to discontinue their representation on wider Port Augusta social committees

"I think the better thing would have been for the federal government, or whoever, to invest in the community, to build up their governance, to build up their capability of delivering better services to the community, and educating the community by investing more and not withdrawing. This is a backward step...There should be a lot more investment into communities"¹

1. Evidence M McKenzie, 13 June 2007, Q 631

Umoona Community Council (UCC)

- Administration arm unfunded from 30 June 2007, putting Council at risk of being unable to provide effective governance, or financial control without a CEO, finance and payroll clerk
- There may be no mechanism in place for sound advice to Council, nor for Council decisions to be implemented
- UCC manages a successful Indigenous Community Housing Organisation (ICHO) which is at risk of transfer to public housing agencies as recommended by the Community Housing Infrastructure Program (CHIP) Review (Rec.4)
- UCC would lose significant discretionary rental income from such a transfer, which assists in funding governance (management and administration) and offsets the loss of municipal services funds

4.3 Service Delivery

Current and Emerging Issues

- Loss of operational staff requiring Community Councils to reduce services, or compensate for them with community savings and resources
- Risk of other agency staff undertaking duties of former council staff and thereby neglecting their own duties
- Uncertainty of whether funding will be continuing after 30 June 2007, and whether services will be able to be funded and delivered
- Concerns about limited and uncertain services delivered by Local Government Councils
- Concerns about whether Local Government Councils are ready, willing and able to deliver full range of municipal services to communities
- Need for major infrastructure improvements
- Concerns about lack of communication between Community Council, Local and Australian government in regard to service delivery
- Uncertainty about whether current Community Council staff employed under municipal services funding will be employed by Local Government Council under new funding arrangements
- Community Councils are willing to negotiate particular service delivery by Local Government Councils
- Changes too abrupt as a realistic, planned, transitional phase is required for community residents to adapt to a change in service

Community Examples

Davenport Community Council (DCC)

- Significant reduction in service delivery by DCC from December 2006, with loss of Municipal Services Officer, gardener and two municipal services labourers ¹
- Only two services delivered by Port Augusta City Council since municipal services funding cut from December 2006 – rubbish collection (with scope much reduced) and road sweeping
- Concerns that Davenport Community services will not be guaranteed if undertaken by Port Augusta City Council
- Port Augusta Post Office does not deliver mail to Davenport community
- From 30 June 2007, DCC collection of mail from Port Augusta Post Office will cease and community members will have difficulty collecting their mail with limited access to transport
- Serious problems with standard of infrastructure and need for improvements to be costed but not done to date

“What we said to the Minister [Brough] was ‘If you are telling us that by the beginning of 1 July, the municipal services will be in place by the Port Augusta City Council, it’s not going to happen.’ If we can only get those two services, there is no way that the rest of the services that we are asking for will be put in place by 1 July.”²

Koonibba Community Council

- Concerned that Ceduna District Council may not be willing to maintain farm and coordinate funeral arrangements on communities which is usually done by the Community Coordinator
- Unsure whether Ceduna District Council will want to take over road grading, maintenance and repairs, as many of Koonibba’s roads are getting older
- Unsure who will look after housing repairs and maintenance, and sewerage plant that is having problems

Tjutjunaku Worka Tjuta (TWT)

- Continuation of municipal service funding uncertain from 30 June 2007, leaving in doubt ability of TWT to deliver municipal services to Homelands in Ceduna area
- Ceduna District Council funded to grade Homelands roads but not commenced three weeks before end of financial year
- TWT unaware of Australian Government decision to fund Ceduna District Council to grade Homelands roads

1. M McKenzie 2007, pers. comm., 20 June

2. Evidence D Matthews, 13 June 2007, Q 619

Umoona Community Council (UCC)

- In December 2006, FaCSIA reached agreement with the District Council of Coober Pedy (DCCP) to undertake weekly rubbish collection and limited roads maintenance and repairs to Umoona Community.
- All other services are unfunded and without an alternative service provider – consequently UCC is providing services
- Will take generational change to adapt to a change of service eg residents putting bins out for collection – less than four bins per week collected by DCCP but minimally 44 bins per week that need collecting.
- UCC picking up shortfall, with Labourer and Senior Labourer emptying over 1000 bins since 1 January 2007
- UCC also removed derelict cars and hazardous waste as DCCP unable to provide this service.

4.4 Compensating for Changes

Current and Emerging Issues

- Community Councils are themselves compensating for funding loss to detriment of long-term community development, community assets and future of community
- Community members volunteering and rallying together
- Delays in release of funding requiring organisation to cover interim costs

Community Examples

Raukkan Community

- Raukkan Community Council paid for redundancies and restructure process out of money saved by community
- Concern that Raukkan Community Council will need to sell assets to fund redundancies

“Those savings were there to put to use for whatever cause the community felt. Money is tight and difficult in communities and it was then used for the redundancy.”¹

Davenport Community

- Community volunteers undertaking administration, payroll and municipal services to keep community operating and clean

Tjutjunaku Worka Tjuta (TWT)

- Delays in release of funding arriving so TWT foots the bill

1. Evidence D Walker, 28 May 2007, Q 394

Umoona Community Council (UCC)

- Greater proportion of whatever rent earned from housing stock and investment income, instead of going back into housing repairs and maintenance, will fund management and administration of community.
- Carrying wage costs by paying Senior Labourer and Labourer positions out of rental and investment income.
- Housing stock will be down graded and become uninhabitable in next four to five years due to rental income that should be spent on repairs and maintenance, now spent on services previously funded under Municipal Services Program.
- Rateable base for District Council of Coober Pedy will also decline with decline of UCC's assets.
- To cover costs for all trips to Adelaide and Port Augusta to discuss with FaCSIA changes, UCC has used money from housing services, repairs and maintenance.

*"Our long term investment strategy and economic development is at risk from the decision to no longer fund us for Municipal Services."*¹

*"...Umoona will cease to exist as an organisation because it will not be able to continue without an income stream coming in and about \$20 million worth of publicly funded infrastructure will have gone down the tube....We face a looming disaster."*²

4.5 Morale, Culture and Identity

Current and Emerging Issues

- Community morale negatively affected by funding changes and resultant uncertainty about employment, service delivery and future viability of community
- Major psychological, social and financial impact of government changes upon community members requires assessment
- Lack of clearly articulated policy rationale for funding changes
- Substantial changes in attitudes and capacity of mainstream service providers are required, as well as substantial changes for community members to make the transition from their community to main centres
- Finding community strength and unity when faced with adversity
- Optimum delivery of municipal services in Indigenous communities needs culturally sensitive and responsive staff
- Community leaders contributing to improved social harmony in wider community

1. Evidence G Cooley, 18 June 2007, Q 693

2. Evidence F Holder, 18 June 2007, Q 694

Community Examples

Raukkan Community

- Community feels traumatised; people cannot see the future

Koonibba Community

- Government officials overlook social issues
- Community needs to be properly assessed in terms of psychological state and poverty levels

Davenport Community

- A lot of unrest and fear in community because of uncertainties of employment with, and service delivery by, Port Augusta City Council (PACC)
- Community sees itself becoming a suburb of Port Augusta but without the community's involvement
- Community feels demoralised when it realises that governments are not working together to assist Aboriginal people to get better services
- Community working together to ensure survival of Davenport Community
- Community members supporting PACC with dry zones

*"..the community has rallied together...The community has been very supportive in making sure that our community does stay a vibrant community.."*¹

*"Davenport is vital in Port Augusta, not only for Davenport people but for the wider social fabric and things for Port Augusta"*²

Umoona Community

- Municipal Services Officer role in Umoona means a lot more than just the job, as you are an advocate for community members, you need to understand their culture and language

*"..we are a community of Aboriginal people who are still tribal and traditional... We are illiterate and semi-illiterate...Our culture is not difficult to us, but in the culture that we are trying to get over and marry and join up with, it is very difficult. I am in fear that transferring funding to agencies for the agencies to deliver will mean they are actually ill-prepared. They do not have competent Aboriginal people who speak the language and know the culture."*³

1. Evidence D Matthews, 13 June 2007, Q 625

2. Evidence M McKenzie, 13 June 2007, Q 625

3. Evidence G Cooley, 18 June 2007, Q 734

4.6 Outside Agencies

Current and Emerging Issues

- Funding changes negatively affect governance capacity and functionality of community and ability to contact community
- Inability to fully implement Shared Responsibility Agreements
- Outside agency staff reliant on administration support of Community Council which is funded by municipal services funding
- Outside agency staff picking up work of former Council staff
- Community Council programs which are under threat from funding cuts assist community members, social harmony of wider community and provide significant cost savings to health and police services

Community Examples

Raukkan Community Council

- Consultant working with community having difficulty implementing Shared Responsibility Agreement as has found functionality of community dramatically impacted by staff losses due to funding cuts
- Outside agencies face major difficulties in contacting community with no administrative staff, office, phone nor fax
- CDEP Manager or Council Chairperson acting as CEOs of the Council with no staff to support them

“So you have had this whole process of uncertainty, demoralisation, trauma, loss of engagement and employment and trying to implement other parts of the Shared Responsibility Agreement. To be frank, it is just not able, within that context, to do things that people really want to do.”¹

Davenport Community Council (DCC)

- Two workers who are separately funded by outside agencies use Davenport Council office block and rely on DCC facilities
- If the DCC administration goes then their programs are at risk
- Post Office does not deliver mail to Davenport Community, so the mail is picked up every morning by the Youth Worker, sorted and put into resident's mail box
- Uncertainty of what will happen from 1 July 2007, when over 100 residents turn up to the Post Office for their mail when Post Office may not have staff to cope with extra people

1. Evidence M Carmody 28 May 2007, Q 395

Umoona Community Council (UCC)

- UCC operates a Mobile Assistance Patrol (MAP) and sobering-up centre
- When sobering-up centre is not operating hospital admissions go up and when MAP is not operating police interventions go up
- If UCC does not exist there will be increased demand upon medical and policing services which are high cost services
- UCC programs provide culturally responsive community intervention with significant community benefit, cost savings to hospital and policing services

5. CONSULTATION PROCESS WITH THE AUSTRALIAN GOVERNMENT

Current and Emerging Issues

- Witnesses state that the consultation process has suffered from:
 - lack of communication
 - delays in communication
 - lack of transparency and inclusiveness
 - lack of transitional planning including discussions about formal service agreements
 - failure to consider concerns of Community Councils and community organisations
 - lack of respect
 - unwillingness to cooperate
- Communities have not formally agreed to changes
- Communities consider changes too sudden - time frame too short
- Communities unclear about role of Solution Brokers and process re Shared Responsibility Agreements
- Communities are losing trust in Government
- Communities finding it difficult to understand the changes
- Communities remain very uncertain about what their municipal services funding and delivery will be after 30 June 2007

Community Examples

Koonibba Community Council and TWT

- Lack of communication and consideration of community's view and concern that rules have been set anyway
- Concern that people are not visiting communities and looking at how things really are
- No discussion with Australian Government or Ceduna District Council about formal service agreements
- Community has not formally agreed to any changes

*"The whole consultation process is wrong. There has never been anyone come out to speak directly to the organisations or the surrounding communities in relation to any changes."*¹

¹ Evidence B Miller, 4 June 2007, Q 532

Raukkan Community Council

- Municipal service changes have been sudden, devastating and disrespectful in their impact

“The way the Public Service actually brought about the change, I think was disrespectful. It really did not take into account what was happening in the community.”¹

Davenport Community Council (DCC)

- Community did not agree to changes, nor are they satisfied that they are in the best interests of the community
- Need consultation also between DCC and Port Augusta City Council (PACC) and development of a transitional plan
- DCC met with Minister Brough who acknowledged that the way municipal services was dealt with was not the best, but that it was still going ahead
- All stakeholders need to meet around the table
- Scheduled joint meeting with DCC, FaCSIA and PACC changed as FaCSIA wishes to meet separately with DCC and PACC²

“There is a difference in owning something and being dictated to, saying ‘This is how its going to happen’...it is a matter of us being able to move with these changes, but in a way that is [respectful]... and keeps people’s dignity intact, because at the moment a lot of that has been lost.”³

“ We do not know the ramifications. We do not know anything. There is no transitional planning. What risk is it for our community? Them days are over where Aboriginal communities will accept things that are ‘good for you’. We want to understand what it is really about. We are entitled to that. We should be treated with respect.”⁴

1. Evidence D Walker, 28 May 2007, Q 394
2. M McKenzie 2007, pers. comm., 20 June
3. Evidence D Matthews, 13 June 2007 Q 630
4. Evidence M McKenzie, 13 June 2007, Q 648

Umoona Community Council (UCC)

- UCC has not received a response to a letter it wrote to FaCSIA in June 2006, suggesting a five year time frame for structural change and expressing willingness to enter into dialogue
- UCC is concerned that in nine months FaCSIA has been unable to develop alternative arrangements for funding the management and administration of the community, and provision of municipal services
- FaCSIA staff reluctant to meet with UCC and DCCP jointly
- Concerns that some funding for UCC 'transitional Governance arrangements' in next financial year will be administered through a third party, reducing funding and creating inefficiencies
- Concerns in regard to FaCSIA process regarding Shared Responsibility Agreements with individuals about assets (i.e. houses) which they do not own, and the role of "Solution Brokers"

*"We questioned them [FaCSIA] about what was in train for next year, and they said 'Well we do not know'. They did not seem to know that there was any urgency about it with less than a fortnight to go."*¹

6. POSITIVE INITIATIVES AND OUTCOMES

6.1 Raukkan Community

- Raukkan Farm was \$1 million in debt two years ago and now is only \$300,000 in debt and employs four full-time and two part-time staff

6.2 Koonibba and Ceduna Communities

- Ceduna Homelands have little crime, and children are attending school
- Tjutjunaku Worka Tjuta (TWT – CDEP Ceduna) has excellent training and employment outcomes with most job ready people now employed
- Koonibba Pre-School and Child Care Centre has been a success with 98 children enrolled
- Koonibba Women's Group arts program expanding sales

6.3 Davenport Community

- Davenport Community Council took the initiative and offered to have the Lake View transitional accommodation in their community
- Davenport believes it has one of the best "old folks homes" in Australia – Wami-Kata
- Davenport Community Council members are on the Dry Zone Steering Committee supporting Port Augusta City Council and continuing discussions on how to improve social services in Port Augusta.
- Beautification funding has enabled the Municipal Closure Officer to employ 25 people who have greatly improved the amenity of Davenport
- Davenport Congress delivers an educational program which is successfully improving Davenport children's school attendance

1. Evidence F Holder, 18 June 2007, Q 701

6.4 Umoona Community Council (UCC)

- UCC achieving stable and sound governance and achieving most if not all Australian Government policy aims for Indigenous Australians
- UCC owns an award winning commercial asset “Umoona Mines” returning over \$130,000 income pa – 80% investment, 20% community benefit e.g. scholarships, sporting events
- UCC generates significant income from sound commercial investments and undertakes economic, human and community development with the proceeds
- UCC manages a highly successful housing program - one of best Indigenous Community Housing Organisations (ICHOs) nationally which provides advice and mentoring to other ICHOs - weekly rent collection per week (\$97.25) is far above State and national average (\$23 and \$38 respectively)
- UCC is the single largest employer of Aboriginal people in Coober Pedy with nine full-time staff (permanent and part-time) and five casuals.
- UCC Youth Program is enhancing school retention rates and contributing to the lowest teenage pregnancy and STD transmission in the State
- UCC delivers significant savings to the health sector through its efficient and low cost delivery of services under the Coober Pedy Alcohol Strategy
- UCC provides a quality child care service to the entire community of Coober Pedy

7. LOCAL GOVERNMENT PERSPECTIVES

The Committee heard evidence from representatives of the Port Augusta City Council and the District Council of Coober Pedy, in relation to their views on the current and proposed changes to municipal services funding. Their evidence is summarised below.

7.1 Port Augusta City Council (PACC)

PACC has adopted the view that they will provide services to the Davenport Community, if they deem them to be appropriate, and under a fee for service arrangement. PACC may bid or tender for services, but does not feel compelled to deliver services. Whilst they have felt some pressure from the Australian Government to take on the management, governance and services to the Davenport Community, they have resisted this until the resolution of significant issues eg rating, access and infrastructure. PACC is unable to rate Davenport Community residences because they are on land owned by the Aboriginal Lands Trust - rates would be approximately \$40,000.

PACC will not be able to deliver the services that Davenport Community currently expect and the community will need time to adjust to these changes and become more self-reliant. Time and money is also needed to bring the Davenport community’s infrastructure up to standard before PACC will take the services on. It is estimated that \$1-2 million is required to lift the infrastructure standard and the Australian Government appeared receptive to meeting this cost.

However there is no offer of on-going finance from the Australian Government and they seem to assume that PACC will provide services to the Davenport Community with no compensation. PACC has no contingency plans from 1 July 2007, when funding stops, as they see it as a State issue and that the State has reneged.

PACC met with Minister Brough and proposed that the Australian Government fund a project officer to arrange the contracts for those services as an interim measure. PACC further suggested to Minister Brough that the time frame was too quick, that it will take time to work through the cultural differences, and that a transitional plan, developed between the Australian Government, State Government, PACC and Davenport Community is needed.

PACC consider it unrealistic that Minister Brough believes that this transition could take place within three months. PACC believes it will take years and that it is most unfair to the Davenport Community Council and the residents of Davenport community.

7.2 District Council of Coober Pedy (DCCP)

DCCP informed the Committee that it has a very productive and robust relationship with Umoona Community. They have stated to FaCSIA that any issues that would impact upon Umoona Community should be discussed in their presence which seemed to draw the ire of FaCSIA who do not appear to wish to speak with both organisations together.

DCCP negotiated with FaCSIA to undertake rubbish collection and road repair for Umoona Community and is paid at private works rates. They are still unclear whether they will be continuing rubbish collection services after 30 June 2007, as there has been no further progress six months down the track from when services were to be cut from 31 December 2006. DCCP remains unclear what other municipal services FaCSIA would like them to pick up.

DCCP believes that generational change is needed to educate Umoona Community about local government rubbish collection. From 1 January to 18 June 2007, DCCP collected only 73 rubbish bins from Umoona Community. The Umoona Community's collection regime differs and the Homemaker Program may assist, but it will take time for the community to adjust.

Umoona Community is functioning efficiently and is able to undertake the municipal services that it is structured to do effectively. DCCP can provide additional assistance at a private works rate if required. DCCP preference is that no jobs are lost in the Umoona Community and they look for opportunities for Aboriginal employment within the District Council.

The impact on the DCCP of the withdrawal or transfer of some municipal services from Umoona Community to DCCP cannot be effectively costed because DCCP has had no communication from FaCSIA as to what services they are considering.

If funding is withdrawn from Umoona Community Council, and they make up the funds at the cost of less maintenance on infrastructure, then the Umoona Community valuation will drop, which will impact on DCCP rate revenue. Umoona is currently rated as one property as it is not individually owned. It is valued at \$2.3 million and pays rates of \$17,000 for houses and commercial properties this financial year. If an infrastructure audit was undertaken, the most transparent process would be to engage an appropriate valuation organisation and for the Commonwealth to meet the costs.

DCCP stated that there are five Local Government areas with encapsulated Indigenous Communities that are impacted by the withdrawal of municipal services funding: District Councils of Coober Pedy, Ceduna, Coorong and Yorke Peninsula, and Port Augusta City Council.

The five Council Chief Executive Officers (CEOs) met with the Office of State/Local Government Relations in the morning of 18 June 2007, to work through a collective approach to the issues. DCCP stated that the FaCSIA process seems to be to deal with Local Government Councils separately and also to deal with Local Government separately to Aboriginal Community Councils. All five CEOs agreed as a group negotiations are best tackled collaboratively and that affected communities must have a say as to what will or will not eventuate. The Office of State/Local Government relations will arrange a further meeting with the Commonwealth and State present so that all can share concerns, expectations and views.

As Port Augusta City Council was planning to meet with the Commonwealth in the afternoon of 18 June 2007, the CEOs agreed to present to the Commonwealth some key principles in municipal services funding negotiations as detailed below.

Key Principles in Municipal Services Funding Negotiations

- a) A common approach to the negotiations which includes all five council areas.
- b) Full documentation of municipal services under discussion, with the Commonwealth to specify a minimum level of services they expect to be provided and councils to specify a costing of these services for their communities.
- c) There needs to be a clear outline of Commonwealth, State and Local Government positions and roles in relation to the delivery of municipal services.
- d) There needs to be sustainable funding arrangements to be resolved for the duration of any agreement that is forthcoming.
- e) The state of infrastructure, identification of municipal services, the ability to rate land, the identification of access issues, land tenure arrangements, employment issues, all need to be resolved as part of any negotiated agreement.
- f) An agreement will need to be reached with the Aboriginal Lands Communities and Councils as part of the negotiation process.

8. WAYS FORWARD

The witnesses to the inquiry suggested improvements to the municipal services funding change process, which are summarised below:

- Proper consultation and communication from Government with Aboriginal communities and organisations
- More investment into communities by the Australian Government to build up their governance, education and capacity to deliver services
- Proactive assistance from, and stronger engagement with, State and Local Government to ameliorate immediate impacts of the federal changes that have been so substantial
- Australian Government set a realistic time frame of five years, to allow community to adjust and Community Councils to develop efficiencies and be able to meet the new environment effectively
- Development of Transitional Plans for Community Councils and Local Government Councils
- Undertake major community infrastructure audit
- Undertake an objective assessment of the delivery of service to Aboriginal communities with all parties having input into terms of reference
- All parties need to be at the table together – Community Councils, Local Government Councils, State Government and Australian Government
- Development of an exit strategy to enable people to get to where the work is and to have work skills, similar to the support given to working migrants
- Australian Government adopts *Key Principles in Municipal Services Funding Negotiations* as agreed by five affected Local Government Council CEOs.

9. CONCLUSIONS

Over the course of four meetings the Aboriginal Lands Parliamentary Standing Committee has heard evidence from 21 witnesses representing six Aboriginal Communities and Organisations, and two Local Government Councils. Their evidence has described in detail the profound affects that the changes to municipal services funding are having, and will have, upon their Councils and Communities.

During the course of the hearings, neither the Committee, nor the witnesses, were able to understand a clear policy rationale for the changes, which needs to be clearly articulated to all stakeholders.

These funding changes have caused significant employment losses within Community Councils, which have caused great distress and uncertainty in the affected communities. Witnesses have described the changes as occurring suddenly, without adequate consultation, transitional planning, or exit strategies to manage the change process. The changes are not fully understood, nor have they formally been agreed to by Community Councils.

With the loss of employment and the loss of administrative and management support to Community Councils, their functionality and governance capacity has been seriously threatened, to the point where three of the four Councils are struggling to find the resources to govern and lead their communities. This has negatively impacted upon the ability of outside agencies to engage with communities.

The Committee heard that Community Councils have compensated for the funding losses out of their own community reserves, resources and revenue, by paying for redundancies from Council savings, maintaining the office with community volunteers, and using much needed rental income to pay wages.

With the loss of employment and governance capacity, municipal service delivery by Community Councils has been greatly reduced. With only weeks before the changes are to be implemented, all Councils (Local Government and Community) stated that they still do not know who will be delivering, what services, when and how.

Witnesses stated the urgent need for timely, consistent and clear communication, culturally respectful and inclusive consultation, and sufficient transitional planning, to address the issues and adjustments needed to positively manage the change process into the future.

From their evidence these communities feel confused, disrespected and disengaged from the change process, and fear for their future survival. They acknowledge the need for change, but want it in partnership with all stakeholders. Their many positive stories attest to their community strengths, achievements and abilities, and their important contributions to the social and cultural harmony of the wider regional community.

10. RECOMMENDATIONS

That the Australian Government:

1. Defer the implementation of changes to municipal services funding in South Australian Aboriginal Communities due to commence on 1 July 2007;
2. Commit to quarantine the municipal services funding identified for each Aboriginal Community, prior to any earlier funding changes;
3. Develop transitional plans for each Aboriginal Community in joint consultation with all stakeholders;
4. Ensure timely, clear and culturally respectful consultation and agreement with all affected Aboriginal Communities;
5. Adopt the *Key Principles in Municipal Services Funding Negotiations* as agreed to by the Chief Executive Officers of the five affected Local Government Councils (District Councils of Coober Pedy, Ceduna, Coorong and Yorke Peninsula, and Port Augusta City Council).

Key Principles in Municipal Services Funding Negotiations

- a) A common approach to the negotiations which includes all five council areas.
- b) Full documentation of municipal services under discussion, with the Commonwealth to specify a minimum level of services they expect to be provided and councils to specify a costing of these services for their communities.
- c) There needs to be a clear outline of Commonwealth, State and Local Government positions and roles in relation to the delivery of municipal services.
- d) There needs to be sustainable funding arrangements to be resolved for the duration of any agreement that is forthcoming.
- e) The state of infrastructure, identification of municipal services, the ability to rate land, the identification of access issues, land tenure arrangements, employment issues, all need to be resolved as part of any negotiated agreement.
- f) An agreement will need to be reached with the Aboriginal Lands Communities and Councils as part of the negotiation process.