



Commissioners

Horizontal Fiscal Equalisation inquiry
Productivity Commission

21 November 2017

SUBJECT: Submission - Central Land Council (CLC)

Dear Commissioners

Firstly, sincere apologies for the lateness of this submission.

The CLC is an Australian Commonwealth corporate entity (PGPA) created to carry out the functions specified to it by the Aboriginal Land Rights (Northern Territory) Act 1976 (ALRA). Subsequent to ALRA, the CLC was also made a Native Title Representative Body (NTRB) under the Native Title Act 1993. The core purpose is to serve its Central Australian constituents and the CLC is influential over many aspects of Aboriginal life in Central Australia, including rights, land access, cultural protection, sustainable and economic use of Aboriginal land and building stronger communities.

It is not the intent of this submission to comment specifically on the technicalities of the HFE methodology. Our main concern is the potential detrimental impact on service delivery to the Aboriginal peoples of Central Australia, many of whom still experience unacceptable living conditions, should the Northern Territory Government (NTG) be subjected to a decline in its share of GST revenue due to a change in the HFE methodology.

The NTG has insufficient financial resources to meet remote service demands in core functions such as transport, health, education and housing, to the detriment mainly of Aboriginal people living in remote Central Australia.

‘Closing the Gap’ is a national strategy priority. Directly related to NTG service delivery are the mortality, school attendance, reading/writing/numeracy, year 12 attainment and early childhood education gap factors, for which there are six (6) targets and of which four (4) are recently described by the Prime Minister as “But target is not on track” and one (early childhood education) has a revised target. Therefore, this is not a time for reducing financial resources to the NTG, but a time for increasing the available resources to ‘Indigenous services expenditure’.

Another key aim of this submission is to highlight a program that is relatively unique to the Central Land Council (although the Northern Land Council is gathering capacity to follow a similar path).

Over a decade ago, a Community Development (CD) program was founded at the CLC, commencing with one staff member. Today it has 14 staff, which is enormous growth over such a short period. The aspect that will be of most interest to the Commission is that the project and program expenditure is predominantly using Aboriginal people's 'own money' to contribute to closing the gap by providing services where other Governments are unable (or unwilling?) to provide. The 'own money' is from various sources including mining royalties, mining affected area compensation, Aboriginal community 'lease' money and Parks' rent. CLC 'facilitates' project selection and implementation.

A description of the outputs of the 2016/17 achievements can be found in the CLC's 2016/17 annual report, section (Output 4.4) recently tabled by the Minister for Indigenous Affairs in Parliament, rather than replicating this information here <https://www.clc.org.au/clc-annual-report-2017/19.OutputGroup4-4-4.html>

Over the past seven (7) years expenditure was over **\$42m** directly (excluding CLC facilitation and administration costs) on projects and programs (around **\$65m** since its inception about 12 years ago), and the corporate plan target is to spend another **\$42m** in the next 4 years. This approximately represents around \$750 for every central Australian indigenous person per year for the next 4 years, on a range of services especially related to health (e.g. dialysis, swimming pool operations), early learning centre construction and early learning programs, sport and recreation facilities, language/culture maintenance and economic development. However, most of the expenditure is in remote areas away from Alice Springs, so the average cost per person in those areas would be much higher. This excludes the cost of CLC project management and administration which is mainly funded by funds from the Commonwealth Aboriginal Benefits Account (sourced from an 'equivalence' to mining royalties paid for mining on Aboriginal land), with substantial contributions from local Aboriginal Corporations and Mining Companies (by directly funding community development officer staff). During 2016/17, communities committed **\$12.7m** to 196 new CD projects.

The CD program existence raises a serious question about fairness and equity of Aboriginal persons engaging in their own service delivery that would normally be the responsibility of Commonwealth, NT and local governments. However, the main viewpoint being expressed for the inquiry is that existing NT service levels do not meet remote Aboriginal people's needs, so if there were an even further reduction in funds to the NTG this would only exacerbate the 'gap'. Aboriginal people would not have further capacity to make an even greater contribution to funding services.

The CLC community development program is not the only area of Aboriginal 'self-help'. Many years ago an Aboriginal organisation known as 'CentreCorp' was established to operate through

two registered charities to invest and generate returns for the benefit of Aboriginal people. After a period of asset accumulation CentreCorp now generates a return and this is provided to a separate CentreCorp Foundation for providing donations for a range of benevolent purposes. Its goals are to “To provide benevolent relief to young Aboriginal people whose aspirations and capabilities are constrained by disadvantaged circumstances, and to enhance the capacities of Aboriginal people to participate fully in vocational, professional, commercial, cultural and social life”. More details about the Foundation is on their website at <http://centrecorp.com.au/index-1.html>. ‘CentreCorp’ has now accumulated net assets of over **\$23m** and in the last financial year the return on those investments enabled the CentreCorp Foundation to make over **\$1.2m** in donations for education (e.g. school scholarships), sport and leadership, medical and health, and cultural and funeral purposes. Another example of how Central Australian aboriginal people are filling the disparity in service delivery needs.

Hopefully this information is of assistance to the Inquiry in its deliberations. For further information and clarification, please contact the undersigned

Yours sincerely,

Dr Nigel Graves
GENERAL MANAGER