ABORIGINAL PEOPLE IN THE ECONOMY OF THE KIMBERLEY REGION

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CONTENTS

Foreword (John Watson) vii
Acknowledgments x
Terms of reference xi

1 Introduction 1

Introduction 1
The reports of the East Kimberley Impact Assessment Project 3
The Crocodile Hole Report 5
The Kimberley Region Plan Study Report 6
The reports of the Royal Commission into Aboriginal Deaths in Custody 8
The High Court's Mabo decision 9
The Commonwealth Government's response to the Mabo decision 17
Conclusion 18

2 Population, employment, incomes and housing in the Kimberley region 19

Introduction 19
Population of the Kimberley region 19
The broad employment structure of the Kimberley region 23
Employment by industry 26
Employment by occupation 29
The housing and community infrastructure situation 29
Incomes in the Kimberley region 34
The cost of living in the Kimberley region 38
Summary 40

3 The industrial structure of the Kimberley region 42

Introduction 42
The gross regional product of the Kimberley region 43
The mining industry in the Kimberley region 44
Horticulture and agriculture 49
The pastoral industry 53
The tourism industry in the Kimberley region 58
Aboriginal participation in selected other industries 58
The role of government in the Kimberley region: welfare dependence? 60
Conclusion 63
Summary 64

4 Commonwealth funding of the Western Australian Government 66

Introduction 66
Australia is a federation 68
The role of the Commonwealth Grants Commission 71
Contents

Does Western Australia financially support the rest of Australia? 71
The principle of fiscal equalisation 73
The 1993 review of the relativities by the Commonwealth Grants
Commission 75
Western Australian Government submissions to the Commonwealth
Grants Commission 76
The redistributive effects of the factors assessed by the Commonwealth
Grants Commission 79
The impact of the Aboriginal population on the assessments 81
The Aboriginal Community Services category of expenditure 83
Spending on Aboriginal Community Services in Western Australia 87
How much is spent on Aboriginal programs and services? 89
Submissions by Aboriginal organisations to the Commonwealth Grants
Commission inquiry 92
The Cocos (Keeling) Islands inquiries 96
The Christmas Island situation 100
Conclusion 101
Summary 102

5 Specific purpose payments from the Commonwealth
   Government to the Western Australian Government 104
   Introduction 104
   Specific purpose payments for Aboriginal programs and services 104
   Specific purpose payments for Aboriginal education 105
   Commonwealth-State Housing Agreement 107
   Western Australian, Queensland and Northern Territory Government
   spending on Aboriginal housing 108
   Summary 111

6 Specific purpose payments from the Commonwealth Government
   to the Western Australian Government: the funding of local
government 113
   Introduction 113
   Funding under the Local Government (Financial Assistance) Act 113
   The calculation of the Grants Commission disabilities and the
   Aboriginal population 116
   Funding for roads 118
   Summary 120

7 Some aspects of the relationship between Aboriginal
   people and local government 122
   Introduction 122
   The situation in the Northern Territory and Queensland 122
   The Western Australian Aboriginal Communities Act 125
   The Project on Remote Aboriginal Communities and Local Government 127
Contents

The Royal Commission into Aboriginal Deaths in Custody and local government 129
The importance of revenue from rates 131
Kimberley shire council policies on excisions for Aboriginal living areas 136
Politics and priorities 140
The environmental health situation in Kalumburu 141
‘Let’s Work Together’: the ATSIC response 145
The National Commitment and local government 146
CDEP and local government 147
The creation of the Shire of Ngaanyatjarraku 148
Summary 151

8 Western Australian Government spending in the Kimberley region 153

Introduction 153
Planning in Aboriginal affairs 153
The Aboriginal Plan 1993 154
The report of the Independent Commission to Review
Public Sector Finances 161
Housing 162
Health 169
Royal Flying Doctor Service 179
The Western Australian Drug and Alcohol Authority 181
Western Australian Police Department 182
Education 184
Department of Employment, Vocational Education and Training 188
Aboriginal Affairs Planning Authority 189
Department for Community Development 191
Roads 194
Power and water 199
Ministry of Sport and Recreation 204
Department for the Arts 205
Lotteries Commission 206
Western Australian Museum 207
Conclusion 207
Summary 208

9 The Aboriginal and Torres Strait Islander Commission in Western Australia 210

Introduction: The ATSIC structure 210
The new ATSIC structure 210
The overall budget context of ATSIC 212
The debate about the national distribution of ATSIC funding 216
The allocation of funding to regional councils in Western Australia 219
The pattern of ATSIC spending in Western Australia 221
ATSIC spending in the Kimberley region by ATSIC regional council 224
ATSIC spending on housing and community infrastructure 226
Contents

New Federalism and the AAAC report 227
The National Commitment 229
Western Australia and the 1973 Aboriginal affairs legislation 230
Regional councils and the shire councils 233
Aboriginal Hostels Ltd 234
Conclusion 234
Summary 235

10 Other Commonwealth spending in the Kimberley region 237

Introduction 237
Department of Social Security 237
Department of Employment, Education and Training 240
Department of Health, Housing and Community Services 242
The provision of telecommunications services 245
Summary 246

11 The Aboriginal organisation sector of the Kimberley region 248

Introduction 248
The Aboriginal organisations 248
Income of the Aboriginal organisations 250
Expenditure of the Aboriginal organisations 254
Taxation payments by Aboriginal people and Aboriginal organisations 258
Who benefits from the spending by Aboriginal organisations? 258
Conclusion 262
Summary 264

Appendixes 267

1 List of Kimberley Aboriginal organisations, by regional council, for which audited financial statements for 1991–92 were obtained 267
2 Some businesses providing services and products to Aboriginal organisations in the Kimberley region 270
3 Aboriginal-owned pastoral leases in the Kimberley region, September 1992 273

References 275
The original idea for this study came out of the Crocodile Hole meeting held in the East Kimberley in September 1991.

This was a historic conference attended by several hundred Aboriginal people from throughout the Kimberley. At Crocodile Hole, people demanded major changes to the way government, the mining industry, the pastoral industry and other non-Aboriginal interests operated in the Kimberley.

There was nothing new in what people said at Crocodile Hole. Aboriginal people in the Kimberley have been consistent about what we mean by Self Determination. It means to us the right to own our land, to control what happens on our land, to practise our culture freely with the certainty of passing on to our children our culture and law, and the ability to control through our own organisations those services that are provided to us by governments.

What was most striking at the Crocodile Hole conference was the determination of Aboriginal people to negotiate major changes on a whole range of matters.

We are sick and tired of government inquiries and the consultation that goes with these inquiries. In the end nothing changes.

After the Seaman Land Inquiry in the early 1980s, we still did not get land rights, despite the promises of both the Commonwealth and the State Governments. Of the land that has been set aside or acquired for Aboriginal interests, whether it be reserves, special leases, mission land or pastoral leases, Aboriginal people exercise limited control. This land remains owned by the government with no recognition of our traditional ownership rights.

Most Aboriginal people have no land at all in the Kimberley. Too many Aboriginal people remain landless and impoverished while we see inefficient pastoral leases in the hands of non-Aboriginal people who control much of the land in the Kimberley. We also see national parks and conservation areas created or proposed in vast areas of the Kimberley with the traditional owners locked out of any real management of these lands. We ask, why can there be Aboriginal owned national parks like Kakadu and Uluru in the Northern Territory which are managed well for the benefit of all and the same cannot happen in the Kimberley?

The recognition of native title in the common law means that there will be major changes to the control and management of Aboriginal people's land in the Kimberley. Land is fundamentally important to Aboriginal people. It is the backbone of our culture and economy and the basis for our future.

At the moment, Kimberley people have no system which makes mining companies talk to Aboriginal people in a proper way about their exploration activities on our land. And when a mine is developed, there have been no proper arrangements which
Foreword

give Aboriginal people real benefit from any development. We expect this to change with the introduction of the new Commonwealth legislation on native title.

While Aboriginal people remain poor and landless, or not in control of the land we occupy, we see around us a rapidly changing Kimberley society which we have little control over. This is our country. We are the vast majority of the permanent population of the region. It is Aboriginal people who know this region. We are born here, grow up here and die here. Our culture and our law is rooted in the lands of the Kimberley. We can trace our knowledge of our lands through our ancestors which stretch back in time way beyond when white people first came to the Kimberley.

Most non-Aboriginal people who live in the Kimberley do not respect or understand the region they are living in. Though they may enjoy the Kimberley climate and the beauty of the country, they do not appreciate the land in the way Aboriginal people do. Nor do they seem to want to learn from those who traditionally own the Kimberley.

Many of these non-Aboriginal people owe their employment to Aboriginal people. The huge government bureaucracy which exists in the Kimberley provides services to Aboriginal people. There is a health system, schools, Homeswest, the police and a host of other Commonwealth and State agencies whose services are dominated by Aboriginal clients.

Despite the elected ATSIC regional council structure, Aboriginal people have little control over money allocated for Aboriginal purposes, decisions on what are the priorities to spend money on and general planning on land use and government service delivery.

Aboriginal people have been telling governments for years how to address issues which affect the lives of Aboriginal people in the Kimberley. Yet governments have refused to respond to Aboriginal demands for Self Determination and have continued to persist with policies and programs which are largely decided by people in Perth and Canberra who do not understand the issues of the Kimberley.

The colonial structure of the Kimberley retards the region’s economic progress and keeps Aboriginal people in poverty. The people that really benefit from economic activity in the region are the people who generally do not have a life long commitment to the Kimberley.

What needs to be recognised is that Aboriginal people had an extremely viable economy before our lands were occupied by white people late last century. The Kimberley region sustained a large population which incorporated over thirty language groups. The development of white settlement in the Kimberley has relied on far more than the dispossession of the traditional owners. The colonisation of the Kimberley has depended on the labour of Aboriginal people. We built the cattle industry and much of the public works in the Kimberley towns.

The majority of Kimberley Aboriginal people are now totally displaced from our lands and marginalised in the region’s economy. We want to negotiate new Self
Determination arrangements with the Commonwealth and the Western Australian Governments. We also want to develop local economic initiatives so that we can free ourselves from the dependence and control of governments.

The purpose of this study is primarily to provide Aboriginal people and their organisations in the Kimberley with information to achieve these objectives. Late last year the Kimberley Land Council commissioned Greg Crough at the North Australia Research Unit (NARU) to undertake this comprehensive study of the Kimberley economy. The terms of reference were developed in conjunction with all of the Kimberley Aboriginal Resource Centres.

This is a report that Aboriginal people in the Kimberley are strongly committed to. Over the past twelve months, many Aboriginal organisations and communities have co-operated closely with Greg and researcher Christine Christophersen in providing information for this study.

The data contained in this report clearly show that Aboriginal people provide the long-term economic base in the region. They also show the inefficiency and absurdity of the current system involving a multiplicity of funding by different levels of government.

The report also reinforces what Aboriginal people have known for a long time — that the system of government administration in the Kimberley is fundamentally flawed. It is paternalistic, overly bureaucratic, inefficient and extraordinarily confusing to Aboriginal people. No other group in society is subjected to the amount of bureaucratic contact and control that Aboriginal people have to contend with.

In the wake of the Commonwealth Government’s legislative response to the Mabo High Court judgement, this book will become a valuable tool for Aboriginal people of the Kimberley to negotiate regional agreements which will, no doubt, become a feature of the way Australian governments relate to indigenous Australians.

John Watson
Chairman, Kimberley Land Council
ACKNOWLEDGMENTS

Many of the views expressed in this book, and the nature of the research itself, were developed following a large number of discussions with Aboriginal and non-Aboriginal people in the Kimberley region during the second half of 1992 and the first half of 1993. During this period the researchers had many formal and informal meetings with people working in, and associated with, a range of Aboriginal organisations. Meetings were also held with the ATSIC regional councils, individual regional councillors and Commissioners, and staff of many of the government departments and authorities in the region.

In the overwhelming majority of cases, considerable assistance was given to the researchers. We would like to thank all of those who provided us with information, and who were prepared to share their views on the issues dealt with in the book.

We would also like to thank Ann Webb and Nicki Hanssen for their efforts in getting the book ready for publication in a very short period of time.

The painting on the front cover is called Tarpil Tarpil. It was painted by Nada Rawlins, a Wangkajunga woman who lives in the Mindi Rardi community in Fitzroy Crossing. The painting is one of a series commissioned for this book by the Kimberley Land Council from artists associated with the Mangkaja Arts Resource Agency in Fitzroy Crossing. We would like to thank Nada, the Kimberley Land Council and the Mangkaja Arts Resource Agency for permission to reproduce the painting. Nada has given the following information about her painting.

This is rocky country. These (circles) are wirrkuja (holes in the rocks where rain water collects). After the raintime there is water inside. We lived in this country after the raintime. We had to leave when the water dried up.

This country is called Tarpil Tarpil. It is my father’s and mother’s country.
TERMS OF REFERENCE

To document and inform Aboriginal people of the direct and indirect contributions Aboriginal people and their organisations make to the Kimberley economy.

To document and inform Aboriginal people of an industry by industry analysis of the Kimberley economy, with reference to industries such as: pastoralism, tourism, mining, fishing, small locally based business, food, transport, travel and other services.

To identify the nature and accessibility of local-state-federal government administrations, services and programs in the region. To include an analysis of funding allocations to the Kimberley through ATSIC, the Commonwealth Grants Commission and the Western Australian Local Government Grants Commission allocations.

Where communities and/or organisations express an interest, to identify particular industries and economic activities from which the Aboriginal community would benefit through increased involvement.

To identify the nature and levels of Aboriginal employment in the Kimberley, with a view to providing information on Aboriginal education and training needs given future organisational, cultural, social and economic requirements.

Information is to be aggregated on a Kimberley regional basis, but also made available by ATSIC regional council boundaries.

To assess the existing ‘development’ policies of the Western Australian Government, the four local governments in the region and the Commonwealth in terms of their potential to assist Aboriginal communities to participate in and benefit from regional economic development; in particular, government responses and initiatives arising from the Royal Commission into Aboriginal Deaths in Custody.

To take into account the recommendations from The Crocodile Hole Report, the Kimberley Consultation Report on the Royal Commission recommendations, and the Land of Promises report. Also to take account of the ATSIC regional councils’ community and regional planning initiatives in the Kimberley as well as current research on sustainable development planning for Aboriginal communities. To consider government reports such as the Kimberley Region Plan Study Report.

To being an assessment of some of the possible implications of the recent Mabo High Court decision with respect to funding processes, particularly with respect to arguments for self-government.

To identify areas requiring further research.

To work with local Aboriginal people and involve Kimberley Aboriginal resource centres, ATSIC Regional Councils, Curtin University Centre for Aboriginal Studies students, and Aboriginal organisations in the project.

To produce a final report.
CHAPTER 1

INTRODUCTION

As the end of the century approaches, the Provincial Norths are lands of divided dreams: developers with visions of resource wealth, of provincial politicians hoping to maintain vast internal empires, of non-Native workers looking for prosperity in short-term jobs in a land that will never become home. It is a land of Native leaders who are struggling for a better life for their people, and of environmentalists who see the region as a battleground for the preservation of pristine wilderness. Some of these visions are incompatible, and reconciling them will not be easy, particularly since the region lacks a sense of common identity and a shared future (Coates & Morrison 1992, 131).

Introduction

The research for this book was originally suggested by the Kimberley Land Council and some Aboriginal people working in Aboriginal resource centres in the region. For a number of years, some Aboriginal people in the region had been aware of a report prepared on the Aboriginal economy of Central Australia (Crough, Howitt & Pritchard 1989), and had wanted a similar study undertaken for the Kimberley region. Some Aboriginal people and Aboriginal organisations had wanted information that could demonstrate to the non-Aboriginal population of the region, and the State as a whole, that Aboriginal people are, and must be regarded as, an integral part of regional development. With Aboriginal people accounting for at least 45 per cent of the population of the region, and the overwhelming majority of the long-term residents, Aboriginal people have a vital interest in the pattern and form of future development in the region.

There seems to be an increasing emphasis being given to issues of regional development in public policy debates. To some extent this is the result of the severe effects of the recession and the prolonged downturn in commodity markets on many non-urban areas of Australia. A policy focus on regional issues is of course not new in Australia, and regional development was the subject of considerable public debate in the years after World War II. More recently, the Prime Minister appointed a Minister for Industry, Technology and Regional Development, and a new Office of Regional Development has been established. In June 1993 the Minister, Mr Griffiths, announced the establishment of a Task Force on Regional Development. Mr Bill Kelty, the Secretary of the Australian Council of Trade Unions, was appointed as Chairman of the Task Force. The functions of the Task Force are to complement the work of the Industry Commission which has been examining impediments to regional development. A draft report was published in September 1993 (Industry Commission
Aboriginal people in the economy of the Kimberley region

1993). However, in both cases it is likely that the contribution of Aboriginal people and Aboriginal organisations to regional development will be either ignored or underestimated. The detailed information in this book will hopefully enable a more balanced picture of development in the Kimberley region to emerge.

Similarly, the Aboriginal and Torres Strait Islander Commission has emphasised the importance of regional planning. One of the functions of the regional councils under ATSIC’s legislation is to prepare a regional plan for ‘improving the economic, social and cultural status’ of the Aboriginal residents of the region. However, as is discussed in Chapter 8, it is not clear how effective this focus on planning has been in assisting Aboriginal people to improve their strategic position in their local regions. The experience is very uneven, and the work of the past few years appears to have been undermined by the reorganisation of the regional council boundaries and the reduction in the number of regional councils in mid-1993.

The debate about the High Court’s decision in the Mabo case has also forced Australians to confront the realities of the non-Aboriginal occupation of Australia during the past two centuries. In many areas of Australia outstanding claims for justice and land remain important to large numbers of Aboriginal people. The resolution of these issues is likely to have an increasing and very direct impact on future patterns of regional development, land use, and economic activity. The Kimberley region of Western Australia, along with the Cape York Peninsula, is likely to be at the forefront of national debate about these issues. In an area such as the Kimberley region, Aboriginal people cannot be ignored, either from an economic perspective or because of the size of the Aboriginal population relative to the non-Aboriginal population. As the evidence in this book demonstrates, the role of Aboriginal people as land owners, their contribution to economic activity and employment, and their attempts to take greater control of land use and resource development, and their own lives, cannot be overlooked or denigrated. Much as the present Western Australian Government and other interest groups might want to legislate away the Mabo decision, a resolution of the land, resource management, financial and political issues raised by Aboriginal people will have to occur. It might take one year. It is more likely to take ten or even twenty years.

The book contains detailed information about government spending in the Kimberley region, and the activities of Aboriginal organisations. While the degree of detail might appear to be unwarranted, given the relatively small population and remoteness of the region, one aim of the book is that it be used as a resource for discussions about a range of development issues in the region. The strategic implications of the data, if there are any, for Aboriginal people and Aboriginal organisations is for them to decide. The book contains no recommendations, and few suggestions for future directions. It does, however, provide a critique of many of the existing government policies and programs.

Despite their contribution to many regional and remote economies, however, it is important to keep in mind that many Aboriginal people are experiencing a range of social and economic difficulties. For example, almost half of the Aboriginal
population of the Kimberley region received less than $8,000 in income in 1991–92. The Kimberley region has the highest per capita rate of alcohol consumption in Australia. Almost half of the Aboriginal population of the region is living in some form of improvised housing or camping out. As Commissioner Dodson suggested, given the history of dispossession and marginalisation that Aboriginal people experienced following the non-Aboriginal occupation of Western Australia:

Aborigines in Western Australia have been more concerned with survival than with developing strategies to combat economic inequality and to pursue economic development (Dodson 1991, 420).

While this statement is largely true, it is also important to recognise that many Aboriginal people and Aboriginal organisations are already engaged in developing such strategies in the region. But the picture is uneven, and the health and mortality statistics for Aboriginal people in the region are particularly alarming. Some communities are under extreme pressure from resource developers, and the whole tone of debate in Western Australia about Aboriginal issues has degenerated even further following the election of the Court Government. Racist attacks on Aboriginal people and Aboriginal culture from some sections of the community are increasing in intensity. Any positive results that may have been achieved by the Council for Aboriginal Reconciliation seem to have been overwhelmed by the ferocity of the debate in recent months.

Many of the issues raised in this book are relevant to other areas of Western Australia, and some other parts of Australia where Aboriginal people comprise a significant proportion of the population. It is hoped that Aboriginal people in other parts of the State might be able to use some of the data and arguments in the book to assist their struggles, and to obtain a better understanding of the intricacies of government. It is not intended to suggest that many of the issues raised in this book are unique to the Kimberley region. Nor is it to suggest that the situation facing Aboriginal people in the Kimberley region is identical to those in other areas. However, although there are wide divergences in the socio-economic situation of Aboriginal people, there are also many similarities. The debates about land, control over development, resource management, the implications of the Mabo decision, and a range of other social and economic issues, involve nearly all Aboriginal people to a greater or lesser degree. Given the totally unbalanced nature of debate about these issues in Western Australia, and the almost irrational behaviour of the present Western Australian Government following the Mabo decision, it is hoped that this research will contribute to a more balanced picture of the role of Aboriginal people in the State.

The reports of the East Kimberley Impact Assessment Project

In recent years there have been a number of major reports published which have examined a wide range of Aboriginal and other development issues in the Kimberley region of Western Australia. These reports demonstrate that much of the economic development in the region, and the debate about such development, is occurring
Aboriginal people in the economy of the Kimberley region

without adequate recognition of the rights and interests of the Aboriginal people living in the region. Further, the significance and extent of the contribution of Aboriginal people to economic development in the Kimberley region has been, and continues to be, overlooked. This should come as no surprise. In fact, Aboriginal people are routinely blamed for impeding development, for being too welfare dependent, and for a lack of respect for property.

The 35 working papers of the East Kimberley Impact Assessment Project, and the final report, Land of Promises (Coombs et al 1989), provided a comprehensive overview of many of the issues affecting Aboriginal people in the east Kimberley region, although there is clear relevance of the research to other parts of the Kimberley region. The five year research project was carried out in response to requests for assistance by Aboriginal people in dealing with economic and social changes arising from resource development in the region. The report strongly argued:

If ‘development’ in the East Kimberley continues in its present pattern and especially if that pattern is encouraged and supported by government, there is a risk that it may result in the denudation of many of the region’s natural resources. It is also probable that the bulk of the current benefits of activities associated with development, and the possible capital assets it could finance, would flow to other parts of Australian and international economies (Coombs et al 1989, 19).

Although Land of Promises contains numerous recommendations, an essential element of the strategies proposed is a need for a rethink of national priorities and a move away from consultation with Aboriginal people to negotiation. The authors called for the negotiation of a treaty between the Commonwealth Government and Aboriginal people which would provide for increased Aboriginal ownership and access to land; compensation for land and resources lost; and the protection of Aboriginal religion, laws and tradition. The authors noted that the political climate for the negotiation of a national treaty might not yet be favourable. This should not, however, prevent some form of short-term or regional agreement being negotiated. Such an agreement could include:

• a commitment to a sure and modestly increasing aggregate funding;

• a division of this funding between regional Aboriginal councils representing their own communities and organisations of a formula basis similar to those used by the Commonwealth and Local Government Grants Commissions;

• a commitment to provide normal community services for Aboriginal people at levels comparable with the general population;

• the recognition of the right of Aboriginal communities to choose how these services should be delivered;

• a commitment from developers that they negotiate with Aboriginal people who have traditional rights to the land where developments are taking place;

• a commitment to block and untied funding of Aboriginal communities and organisations; and
Introduction

• a reference to the Commonwealth Grants Commission to prepare a report on a basis for financial relations between Aborigines and governments until a treaty has been negotiated.

The Crocodile Hole Report

The Kimberley Land Council and Waringarri Resource Centre published The Crocodile Hole Report in 1991, following a meeting of more than 500 Aboriginal people in the Rigan community south of Kununurra. The meeting, which was in part convened to discuss the findings of the East Kimberley Impact Assessment Project, covered a wide range of development issues in the region. The report contains dozens of recommendations relating to land use, resource development, Aboriginal control and management of national parks, health, education, mining and tourism, and government funding. As the report suggests:

It is of concern that, of these three reports [Kimberley Regional Plan Study, Crocodile Hole Report, Land of Promises], the one most likely to influence state government policy on important issues such as land use and resource development is likely to be the Kimberley Regional Plan Study, into which there has been least Aboriginal input, and which does not address in any meaningful way the diverse and distinct Aboriginal interests in future development (Kimberley Land Council & Waringarri Resource Centre 1991, 29).

One of the most important points, which was raised numerous times by participants at the Crocodile Hole meeting, was the need for a change to take place in the relationship between Aboriginal and non-Aboriginal people. The relationship between Aboriginal people, and pastoralists, governments, mining companies and other commercial enterprises needs to shift from one based on consultation to proper negotiation. As Dr Coombs explained:

Land of Promises places great emphasis on the need for negotiation between Aboriginal people and those interests and organisations of the mainstream Australian society with which they have to deal. This is different from the 'consultation' which Aborigines are so often promised but which is usually ignored by those interests when they are making decisions. Negotiations are designed to lead to agreed decisions in which both parties meet as equals and seek conclusions which benefit them both, with which both are happy (Kimberley Land Council & Waringarri Resource Centre 1991, 46).

An appendix to The Crocodile Hole Report also noted that regional agreements have been negotiated in Canada, and that these were 'a major strategy for enhancing self-determination of Aboriginal peoples’. Richardson and Boer developed further the theme of the need for negotiation rather than consultation, and pointed out that:

These agreements involve negotiating between Aboriginal groups and government, whereby certain traditional Aboriginal rights over land and resources are traded for a broad array of social and economic benefits which provide the
Aboriginal people in the economy of the Kimberley region

participating communities with increased autonomy and control over their environment (Richardson & Boer 1991, 78).

Although these types of regional agreements have not as yet been negotiated in Australia, other more discrete arrangements have already been negotiated, and indeed are becoming more common. These include joint management arrangements for a range of national parks, as well as a number of exploration and mining agreements negotiated by Aboriginal people in the Northern Territory and South Australia. It is likely that some form of broader agreement, or a series of agreements, will be negotiated in relation to the Torres Strait. These agreements are likely to incorporate resource management, funding and self government issues (Mulrennan et al 1993).

The Kimberley Region Plan Study Report

Governments are increasingly raising issues about regional planning, even though many government policies are creating serious socio-economic difficulties in many regional and remote areas of Australia. A number of reports have recently been published that attempt to introduce a limited form of planning in some remote areas of Australia. The Kimberley Region Plan Study Report was published by the Western Australian Government in 1990. In the Northern Territory a major land use report was prepared for the Gulf region, and economic development strategy reports have been prepared for the Barkly and Katherine regions. The Commonwealth and Queensland Governments announced in early 1990 that a Cape York Peninsula Land Use Strategy would be prepared. The Governments allocated $9 million to develop the Strategy.

One of the most obvious features of these reports is their limited consideration of the role of Aboriginal people. In all of the regions, Aboriginal people are a very significant proportion of the population. According to the 1991 Census data, in the Northern Territory Aboriginal people accounted for 32 per cent of the Lower Top End Statistical Subdivision, which includes the Gulf region and the town of Katherine. Aboriginal people were estimated to account for 39 per cent of the Barkly Statistical Subdivision, which includes Tennant Creek (Australian Bureau of Statistics 1992f).

About one-quarter of the Aboriginal population of Western Australia lives in the Kimberley region, and according to the 1991 Census data Aboriginal people comprised about 45 per cent of the region’s population. In the Cape York Peninsula region, Aboriginal people comprise approximately 46 per cent of the population, and 55 per cent of the population if the mining town of Weipa is excluded (Holmes 1992, 4). In all of the areas the land ownership picture is very mixed, although Aboriginal ownership of the land is significant, particularly of pastoral leases in the Kimberley region.

The preparation of a land use study of the Kimberley region had been recommended in the Final Report of the Kimberley Pastoral Industry Inquiry (Department of Regional Development and the North West 1985). According to the authors of the land use study, the intention was to:
help establish a growing but sustainable economy in the Kimberley in which people can develop their full potential, while living in harmony with each other and the environment (Department of Regional Development and the North West 1990, iii).

The *Kimberley Region Plan Study Report* is deficient in its treatment of Aboriginal people, who not only comprise a significant section of the population but are also lessees of about 20 per cent of the pastoral land in the region. Even though the report stated that 'the greatest resource of any area is its people', the rights and interests of a large section of the regional population were effectively ignored. The contribution of Aboriginal people and Aboriginal organisations to the economic activity in the region, particularly in the towns, was ignored. The only serious recommendation to come from the report concerned the establishment of a Kimberley Regional Coordinating Committee, which was to have had a token regional representative of Aboriginal people. There was no systematic attempt in the study to address how Aboriginal people could be brought directly into proposed land management and resource development planning mechanisms, even though they have interests in large areas of land.

Although it is almost impossible to ignore the importance of Aboriginal people in many regions of Australia, the clear impression one gains from the *Kimberley Region Plan Study Report* is that Aboriginal people are marginal to the main economic development and regional planning issues in the region. It is as though Aboriginal people do not exist, and if they do, only begrudging reference is made to them. If any consideration is given to Aboriginal people, the issues affecting them are almost universally defined as social, not economic, problems. The inter-relationship between economic and social issues is almost totally ignored. The link between lack of control of Aboriginal people over land, resource development and marine resources, and the socio-economic position of these same people in the region, was overlooked. Holmes has provided a critique of some of the recent regional economic development reports published by governments about northern Australia, and makes the very important point that:

> a primary goal of strategic planning should be to secure a cooperative engagement of Aboriginal and non-Aboriginal interests ... it can only be concluded, certainly in the Kimberley and Gulf cases, that there has been a lack of vision, involving a monumental failure to recognise the pivotal role which participatory coordinative regional planning could play in ensuring the engagement of Aboriginal interests (Holmes 1992, 3).

The thinking encapsulated in the *Kimberley Region Study Plan Report* is reinforced in some of the recent reports released by the Kimberley Water Resources Development Office. With one exception, these reports overlook the interests of Aboriginal people in the region and the potential social impact on these, and other people in the region, of some of the future development proposals. For example, the two volume report on the proposed Fitzroy Valley irrigation project devoted only one chapter to the potential social impacts of the project, despite the high proportion of the population of
the region being Aboriginal people, and the large areas of pastoral and other land leased to, or owned by, Aboriginal people. Although the report is only preliminary, it is clear that the engineering and commercial aspects of the project are already receiving most of the attention of policy makers (ACIL Economics and Policy Pty Ltd et al 1993). Another of the reports examined the demand for water in Western Australia next century, and projected that the population of the Kimberley region could double in the next fifty years (Flour Daniel Australia Ltd & The Menlo Group 1993). As The Kimberley Echo commented, the northern parts of Western Australia could experience significant growth during in coming decades because of the availability of water and land (9 August 1993). Not one of the reports provides any guide as to how the Aboriginal population of the region would be integrated into future planning processes.

The reports of the Royal Commission into Aboriginal Deaths in Custody

At the same time that a number of these reports were being prepared, the Royal Commission into Aboriginal Deaths in Custody was completing its investigations. Apart from the five volumes of the National Report of the Royal Commission into Aboriginal Deaths in Custody, prepared by Commissioner Johnston (1991), two volumes of Commissioner Dodson’s Regional Report on Inquiry into Underlying Issues in Western Australia (Dodson 1991) were also published. Commissioner Dodson’s reports examined in some detail the relationship between Aboriginal people and regional economic development in Western Australia. Both Commissioners commented how the actual or potential contribution of Aboriginal people and Aboriginal organisations to many local and regional economies has been almost completely ignored. Clearly the issue was believed to be very important, since Commissioner Johnston recommended in his National Report that further research be undertaken in relation to:

the particular economic circumstances of Aboriginal people in discrete geographical areas; in order to:

i. determine the contribution which Aboriginal people make to the local or regional economy;

ii. identify the sources of and amounts of funding which might be available to them;

iii. facilitate realistic economic planning by Aboriginal people which is consistent both with the prevailing economic circumstances and with their aspirations and lifestyle (Johnston 1991, vol 4, 447).

Based on research conducted for the Royal Commission in Western Australia by Howitt (1990), Commissioner Dodson concluded that:

the specific concerns of Aboriginal people cannot be separated from the concerns of regional development. Essentially, I am of the view that Aboriginal
participation in regional economic development is fundamental to achieving locally sustainable economies in rural and remote Australia, not an optional extra to be considered as a welfare issue once regional plans are in place. Aboriginal people are an integral component of regional economies (Dodson 1991, 525).

Commissioner Johnston referred to the study of the central Australian economy which indirectly suggested how large this contribution might be in other parts of Australia. Despite very high rates of unemployment and relatively low personal incomes, Aboriginal people and their organisations were estimated to account for about one-third of the regional economy of central Australia in 1987–88. The measured income of Aboriginal people, Aboriginal organisations and enterprises, and government spending on Aboriginal affairs programs was estimated to be about $184 million in central Australia in 1987–88 (Crough, Howitt & Pritchard 1989).

One of the main problems with the Royal Commission, however, was that the reports for the individual States did not include specific recommendations. Despite some severe criticism of State government policies, departments and authorities, the recommendations of the National Report generally referred to broader, national policies. Admittedly, many of these involved action by the State and Territory governments, but much of the more direct criticism of the State and Territory governments was diluted in the National Report. Commissioner Dodson’s two volume report on Western Australian was highly critical of Western Australian governments. It documented the systematic marginalisation and institutionalisation of the Aboriginal population of the State through various mechanisms, notably the impact of the mining industry and tourism, and many of the policies and practices of governments. Yet Commissioner Dodson’s report contained no specific recommendations, and the onus on the Western Australian Government to modify the behaviour of its departments and authorities was considerably reduced (Johnston 1991, vol 2, 252).

The High Court’s Mabo decision

Perhaps the single most important event which is likely to have a lasting effect on the region, and Australia as a whole, was the High Court’s decision in the Mabo case in June 1992. The Court’s decision affirmed that a form of ‘native title’ continues to exist in Australia, and overturned the concept of terra nullius. The practical implications of the decision are yet to be determined. If the experience of Canada is any guide, many of the issues raised by the High Court’s decision will not be resolved quickly (Jull 1991). It is possible that some issues, such as the nature of Aboriginal rights and the rights associated with native title, could be broadened as other cases come before the Australian courts.

The potential impact of the High Court’s decision on the mining and exploration industry has received the most public attention. This attention is due in no small part to the ability of some sections of the mining industry to mobilise the financial and other resources necessary to substantially influence the terms of much of the public
debate. The mining industry has been arguing for some time that access to land is a major problem. The Australian Mining Industry Council, for example, has argued that much of the Australian land mass is effectively closed to the industry because of the existence of national parks, conservation reserves, Aboriginal land and other State, Territory and Commonwealth land restrictions (Australian Mining Industry Council 1993). Legislation and regulations do restrict access by the mining industry to some of these areas of land, including some agricultural land in the southern part of Western Australia. However, the situation varies in different parts of Australia. The problem with many of the industry’s arguments is that they tend to exaggerate the difficulties of access. Sections of the industry give the clear impression that access to (Aboriginal) land is the key issue facing the industry.

In the Northern Territory, for example, access to Aboriginal land is determined by the provisions of the Commonwealth’s Aboriginal Land Rights (Northern Territory) Act 1976. This legislation has been the subject of repeated criticism by sections of the mining industry and the Australian Mining Industry Council. It has been amended a number of times following industry pressure. The access provisions were amended in 1987, ostensibly to facilitate easier access by the industry. Despite the amendments, however, access to Aboriginal land requires negotiations with the Aboriginal land owners, and the negotiated agreements must be approved by the relevant land councils. The Act specifies the role of each of the parties, the time limits for negotiations, and the type of information that must be provided to the Aboriginal land owners before access can be considered. Some sections of the mining industry have argued that these provisions unduly restrict access to the land, and that the ability to control access by the land owners should be either severely curtailed or removed altogether. It is an exaggeration to say, however, that mining companies are prevented from entering the land, as the agreements negotiated between some mining companies and the land owners demonstrate (Central Land Council 1992, 37–44). What is correct is that the mining industry does not have unrestricted access to the land. In other words, the industry’s development proposals must be acceptable to a significant section of the regional population.

Although the industry’s access to many areas of land is restricted, its arguments tend to overestimate the importance of access considerations. Very rarely are the other commercial factors given any emphasis by the industry. For example, the state of domestic, but more particularly, international markets, largely determines the commercial viability of particular projects, and the exploration programs of the companies in the industry. Although exploration activity at the present time is at its lowest level for many years, this is not primarily because of restrictions on access to land. World commodity markets have been experiencing difficulties in recent years because of the world wide recession, and many countries, particularly Russia, have large stockpiles of many commodities that are overhanging the markets and depressing prices. Many of these commodities are also produced by Australia. A recovery in Australian exploration activity and mineral exports will not occur because Aboriginal control over access to land in the Northern Territory is removed, or because mining companies obtain access to national parks in Western Australia. It is
Introduction

highly misleading for sections of the mining industry in Australia to suggest that the main problem of the mineral industry, and the main factor determining its future prospects, is access to land.

Clearly there will be implications for the mining industry in some parts of Australia as a result of the *Mabo* decision. One of the judges, Justice Brennan, for example, suggested that native title may not be extinguished by the granting of State and Territory governments of authorities to prospect for minerals. It is also not clear who owns the subsurface mineral and petroleum resources on land that is held under native title, and how State and Territory mining legislation applies to land that is held under native title. The Council for Aboriginal Reconciliation suggested that:

Although legislation reserves significant resource rights, such as minerals, to the Crown, it *may* be the case that native title to some resources might continue on the basis that the rights reserved by the Crown are not incompatible with some continuing native title interest, especially if traditional use of those resources could be proven ... It is likely that any continuing native rights would extend to the use of such resources for subsistence rather than contemporary commercial exploitation depending on the relevant traditional customs (Council for Aboriginal Reconciliation 1993, 25–6).

The Chairperson of ATSIC, Lois O’Donoghue, argued that although the decision did not contain any finding in relation to the ownership of minerals or other natural resources of the land,

> It is our view moreover that the States and Territories validly extinguished private ownership of most minerals before 1975 (O’Donoghue 1993a, 4).

As a number of the High Court judges argued, although governments can extinguish native title, their actions in doing so need to be judged against the provisions of the *Racial Discrimination Act* 1975. The ownership of subsurface mineral and petroleum resources is yet to be clarified, Ms O’Donoghue stated that ATSIC had suggested to the Prime Minister that:

> ... the Commonwealth Government should legislate to provide native title holders with a specified proportion of royalty revenue from development of native title land. This would be in the form of a royalty equivalent which would be payable to a corporation representing native title holders, and be available for capital infrastructure or re-investment in the resource project itself (O’Donoghue 1993a, 16–17).

Certain sections of the mining industry have exploited some of the matters raised by the High Court judges. In some cases, this has been for what appear to have been ideological reasons. In other cases, it is likely to have been more heavily influenced by commercial considerations. However, as Bartlett has noted in relation to the North American situation, where Aboriginal title has long been recognised:

> In North America resource developers have come to recognize that their interests are not at the heart of the dispute. The principle issue is the question of control and economic rent as between an Aboriginal group and government. The existing
Aboriginal people in the economy of the Kimberley region

interests of resource developers have always been protected in any settlement and developers have secured their necessary rate of return on investment (Bartlett 1993, 105).

Some of the companies in Australia, however, and many of their industry groups, undoubtedly have the financial and other resources to ensure that their point of view dominates much of the public debate. Mr Hugh Morgan, the chief executive of one of Australia’s largest mining companies, Western Mining Corporation, has been particularly vocal on the issue, and has repeated his criticism of the decision in a number of public forums. While the broad argument expounded by sections of the mining industry has been that the decision has created uncertainty for the mining industry, Mr Morgan has gone much further in his attacks. Even though many Australians are ignorant of many aspects of Aboriginal culture and society, both historically and today, one would have expected a prominent public figure such as Mr Morgan to have had a better understanding of the issues before he joined the public debate. Despite the increasing anthropological and archaeological evidence about the complexities and sophistication of Aboriginal culture and society, Mr Morgan has argued that it was understandable that terra nullius has been the basis of property law in Australia because:

The Aborigines had no agriculture nor did they graze animals. Their few utensils, weapons and ornaments were crude. They had no written language, no sense of time or history, no common spoken language, and no political institutions which went beyond the life and boundaries of their many clans. They were unable to mount anything but local and sporadic resistance to British settlement (Morgan 1992, 4).

His comments have not been confined to a restatement of outmoded and blatantly racist views, but have also attacked the institution of the High Court itself. It is almost unbelievable that an Australian citizen in the 1990s would suggest that the Australian High Court should be answerable to the British Privy Council.

In the thirties our High Court was constrained by the fact that appeal from their decisions could be made to the Law Lords of the Privy Council. Today, that is no longer possible, and the High Court is answerable to no one except, in the final analysis, the Australian people (Morgan 1992, 3).

Similar types of criticisms of the High Court were made in a booklet published by the Institute of Public Affairs, Mabo and After.

After Mabo, it will no longer be possible to look at the High Court (at least as constituted at present) as we have for most of its ninety-year life: as the senior court of the land, particularly entrusted with the grave task of continually reassessing the constitutional propriety of legislation and with the continuous evolution of an Anglo-Australian tradition of common law. Rather, we have now to take explicit account of the Court’s strongly political and legislative tendencies (Durack, Brunton & Rutherford 1992, 27–28).
It is worth quoting from the decision of Justices Deane and Gaudron, who addressed the question of why the High Court was prepared to question the fundamental tenets of the existing body of property law:

If this were any ordinary case, the Court would not be justified in reopening the validity of fundamental propositions which have been endorsed by long-established authority and which have been accepted as a basis of the real property law of the country for more than one hundred and fifty years ... Far from being ordinary, however, the circumstances of the present case make it unique. As has been seen, the two propositions in question provided the legal basis for the dispossession of the Aboriginal peoples of most of their traditional lands. The acts and events by which that dispossession in legal theory was carried into practical effect constitutes the darkest aspect of the history of this nation. The nation as a whole must remain diminished unless and until there is an acknowledgement of, and retreat from, those past injustices (Deane & Gaudron 1992, 82).

Understandably, the Government of Western Australia has been concerned about the implications of the *Mabo* decision, since the land tenure situation in that State in the absence of State-based land rights legislation means that larger areas of land are likely to be subject to native title claims. About 40 per cent of the land area of the State is classified as ‘unalienated Crown land’, but in addition there are relatively large areas of land leased to Aboriginal people and Aboriginal reserves. In fact, Western Australia is now the only State or Territory with Aboriginal ‘reserves’. Significant areas of the land that were referred to as ‘unalienated Crown land’ before the High Court’s decision could in time be recognised as Aboriginal land. This is no reason, however, for the Premier and some of his ministers to begin a scare campaign. For example, the Premier was reported as saying that he ‘did not accept that a special title should exist for different groups’ (*The West Australian* 27 March 1993).

Mr Court, along with some other commentators who one would normally expect to be strong defenders of the existing legal and judicial system, has been highly critical of the High Court, on the grounds that: ‘Courts are there to interpret law; the elected members of Parliament are the people who make the laws and that’s how it should be’ (quoted in *The West Australian* 30 March 1993).

It seems that Mr Court has the same difficulty as the former Premier of Queensland, Mr Bjelke Petersen, with the concept of ‘separation of powers’ between the judiciary, executive and the parliament. In a re-run of some of the debates that have characterised the situation in the Northern Territory regarding the land rights legislation and the role of the land councils for more than a decade, *The West Australian* newspaper (26 March 1993) reported that the Premier had:

... hit out at white advisers to Aboriginal groups, accusing them of building up an industry around issues relating to Aboriginal land claims ... ‘I have made it clear we will talk to any Aboriginal group that wants to talk to us ... But I want to be spending most of my time dealing with the people themselves, not with a bank of white legal advisers that have built up a huge industry’.
It is a very important issue how, and with whom, a company wishing to undertake certain activities on land that is held under native title, negotiates access. In the Northern Territory, the land councils are statutory bodies established under the *Aboriginal Land Rights (Northern Territory) Act*. The act sets out the principles relating to mining and exploration on Aboriginal land. Different provisions apply in Queensland, New South Wales and South Australia, but the legislative authority of the land councils in the Northern Territory is not replicated in any of the States. In Western Australia, there is no Aboriginal rights legislation and there is no statutory recognition of organisations such as the Kimberley Land Council. Some sections of the mining industry have been strongly critical of the land councils in the Northern Territory, and have made it clear that they want to deal directly with Aboriginal land owners, or the holders of native title. For example, the exploration manager of Stockdale Prospecting, Mr Danchin, in a letter to *The Australian* (22 February 1993) stated that there is a:

... reluctance of mining companies to negotiate Aboriginal land access with some land councils ... the suggestion that traditional owners are unable to decide their own priorities and negotiate accordingly is typical of the new paternalism which prevails the "Aboriginal industry' and explains why we regard the Aboriginal industry itself as the major impediment to the economic advancement of Aborigines in outback Australia.

Would the mining companies be prepared to negotiate commercial agreements without legal and other forms of advice? Would the management of these companies be prepared to let their own shareholders negotiate commercial agreements directly with Aboriginal land owners?

The Western Australian Premier has made it very clear that he interprets his responsibility as the elected State leader to be the promotion and protection of the interests of the mineral and other resource extractive industries. It is the mining industry that has received the guarantee of security of title from the Premier, not Aboriginal people. On this issue, the chairperson of ATSIC has argued that:

... ATSIC strongly supports the amendment of existing legislation to recognise native title alongside other interests in land ... [and] Governments should also be required to acquire the native title interest in land in the same way as other interests in land are normally acquired under land acquisition statutes, before making grants of inconsistent interests in native title land (O'Donoghue 1993a, 13).

Another area of alleged uncertainty resulting from the *Mabo* decision relates to pastoral leases, which cover about 30 per cent of Western Australia and half of the Northern Territory. This is a particularly important issue in the Kimberley region since more than 218,000 square kilometres of land in the region are leased to pastoralists. Twenty-one of these leases are owned by Aboriginal interests (42,740 square kilometres). Some of the High Court judges suggested that native title, and Aboriginal occupation and usage of the land for traditional and customary purposes, could coexist with other uses of the land. It is arguable that such a situation might
apply to land that is leased for pastoral purposes. There are already legislative reservations which provide for access by Aboriginal people to pastoral land for hunting, fishing and gathering and for ceremonial purposes in the Northern Territory, Western Australia and South Australia.

In the Northern Territory, section 38 (2) of the Pastoral Land Act 1992 provides for all pastoral leases to contain a reservation permitting the Aboriginal people living on the leased land, or who are entitled in accordance with Aboriginal traditional to inhabit the leased land, to enter and be on the leased land; to take and use water from the leased land; and to take or kill for food or for ceremonial purposes animals and vegetable matter. The reservation does not apply to land within 2 kilometres of a homestead, except if the Aboriginal people were living within 2 kilometres of the homestead prior to the commencement of the Aboriginal Land Ordinance 1978. The reservations in the Western Australian Land Act are considerably weaker than those in the Northern Territory Pastoral Land Act. Section 106 (2) provides that:

Aboriginal natives may at all times enter upon any unenclosed and unimproved parts of the land the subject of a pastoral lease to seek their sustenance in their accustomed manner.

The problems of access have been clearly demonstrated by the situation facing the Wangkatjungka community on Christmas Creek Station approximately 100 kilometres south-east of Fitzroy Crossing. The lessee has prevented access to the station by people from the community on the grounds that all of the station is ‘enclosed’ and ‘improved’ (The West Australian, 13 September 1993), and because the community ‘had abused them [their privileges] to the extent that his ability to run his cattle station had been threatened’. The President of the Pastoralists’ and Graziers’ Association was reported to have said that the previous Government’s ‘tampering with the pastoral industry had created an impossible situation’ because it had ‘forced’ excisions upon certain pastoralists (The West Australian 14 September 1993). The previous Government had introduced the Land Amendment (Pastoral Leases) Bill to widen these access provisions. The then Leader of the House explained the new provisions during his second reading speech:

The Bill broadens the rights, much along the lines of the Northern Territory legislation which has been found to work well since it came into operation some years ago. The amendment will allow a person of Aboriginal descent, or his or her spouse or child, to enter any pastoral lease land and pass through it or camp on it for a cumulative period of up to two weeks in any three months, for a purpose of following the traditional pursuits of the Aboriginal people. A person intending to enter must have a traditional affiliation, or a longstanding association, with land in the land division of the State in which the lease is located.

Underlying the provisions is the fact that, even though the land is leased for the grazing of stock, it remains publicly owned land and the public retains a very real interest in its use. It constitutes a very large proportion of the State, held in very large individual holdings embracing the best of the lands with which the Aboriginal community has an affinity and to which Aboriginal people need access
to maintain their traditional pursuits. It is equitable to make provisions for its broader availability to the Aboriginal community where this can reasonably coexist with pastoral operations (Parliamentary Debates, Legislative Assembly, 3 June 1992, 3266–7).

The bill was not passed, and the relatively restrictive provisions of the Land Act still apply. At the time the Pastoralists’ and Graziers’ Association expressed its reservations about the changes to the Aboriginal access provisions, and commented:

It has been a perfectly good working relationship in the majority of cases, and there is no need to confuse the issue and spoil the Aboriginal/pastoralist relationship by putting access agreements in legislation (Kimberley Echo, 26 October 1992).

It is arguable that the provisions in the Northern Territory and Western Australian legislation, restricted as they are in Western Australia, to some extent protect native title (Amankwah 1993). Although the legal position is not yet clear, it would appear that it is only when the utilisation of the lease amounts to use and occupation of the land that is inconsistent with the continuing enjoyment of native title that native title is extinguished or impaired. The Federal Court judgement in a case involving a grant of land under the Aboriginal Land Rights (Northern Territory) Act in September 1993 clarified some of these issues. In particular, the judges argued that ‘an intention to extinguish traditional native title is not to be inferred lightly’, and that there must be ‘clear intention to do so’ (Lockhart, O’Loughlin & Whitlam 1993).

Apart from the reservations in pastoral leases in some States relating to Aboriginal people, historian Henry Reynolds has gone further, and suggested that between 1836 and 1855 the British Government actually recognised native title. He has presented historical evidence to demonstrate that the British Government never regarded the land of the Australian colonies before non-Aboriginal settlement as terra nullius (The Australian, 3–4 July 1993). If this view is proved to be essentially correct, then it may impact on the situation in Queensland where pastoral leases do not include reservations for Aboriginal people. Reynolds’ research has suggested that limitations and reservations were built into the constitutional powers of the Parliament of New South Wales in 1855 which critically affected the powers of successor Parliaments (particularly but not exclusively the Queensland Parliament) to pass laws extinguishing native title in the forms of leases or otherwise.

The Aboriginal interest was embodied in several Orders-in-Council and in 1855 was protected by Imperial legislation which continued to operate with paramount force in Australia until 1986. The Aboriginal interest on all pastoral land held under lease is far older and far more potent than has commonly been recognised (Reynolds 1992, 10).

The High Court’s Mabo decision could represent the beginning of a significant historic change in the relationship between Aboriginal and non-Aboriginal people. As the Prime Minister, Mr Keating, clearly stated in his speech at the Australian launch of the International Year of the World’s Indigenous People:
**Introduction**

Mabo is an historic decision — we can make it an historic turning point, the basis of a new relationship between indigenous and non-Aboriginal Australians. The message should be that there is nothing to fear or to lose in the recognition of historical truth, or the extension of social justice, or the deepening of Australian social democracy to include indigenous Australians (Keating 1992, 7).

The debate about the decision may also prove to be the catalyst for the significant deterioration in the relationship between Aboriginal and non-Aboriginal people. In mid-1993, the prospect of an upsurge of racism in the sections of the Australian community directed at Aboriginal people seems a very likely prospect.

**The Commonwealth Government's response to the Mabo decision**

In September 1993 the Commonwealth Government released a paper which outlined its proposed legislative response to the Mabo decision. At the same time, the Prime Minister announced that a ‘social justice’ package would be unveiled late in 1993 or early 1994. After more than one month of negotiations with a group of Aboriginal representatives and some major industry groups, the Prime Minister released details of an amended legislative package in mid-October. It is too early to tell whether the legislation will be passed in its proposed form, or whether it will be delayed.

The Government’s response recognises the existence of native title, and proposes to establish a National Native Title Tribunal to determine native title claims and compensation. The Federal Court will have jurisdiction to determine claims throughout Australia. The Government will fund a number of Aboriginal and Torres Strait Islander organisations to assist claimants prepare and present claims. The proposed legislation outlines time periods for consultation and negotiation between Aboriginal land owners and interests wanting access to the land subject to native title. There is no doubt that the time periods are far too short, and will put enormous pressure on Aboriginal land owners and land councils. If negotiations cannot be completed satisfactorily within the specified time periods, a determination will be made by the Tribunal or a recognised State or Territory body. However, the Commonwealth, the State and Territory Governments will be able to override the decisions of the Tribunal on the grounds of ‘the economic and other significance’ of the project, and ‘the public interest’.

The Government’s discussion paper suggested that the proposed legislation will include a preamble which, among other things, will outline how the legislation meets Australia’s international obligations. It will include the ‘reassurance that where there is, or has been, valid freehold or leasehold, native title does not exist’ (Commonwealth of Australia 1993c, 4). Native title will be extinguished across most of Australia, particularly the very large areas of pastoral lease land. However, Aboriginal-owned pastoral leases will be available for claim under the proposed legislation. The proposed legislation will validate freehold or leasehold grants that ‘were in whole or part invalidated by the existence of native title and the operation of any law’ (Commonwealth of Australia 1993c, 8).
Aboriginal people in the economy of the Kimberley region

The Government's response has clearly been designed to overcome the alleged uncertainty created by the High Court's decision. The uncertainty factor has certainly been eliminated, because the Government has decided that extinguishment of native title is required in those areas where there is any uncertainty of non-Aboriginal title. The mining industry in particular has been very successful in creating a degree of public hysteria over this issue, and along with the State and Territory governments, has largely had its interests protected.

Conclusion

The unwillingness of most non-Aboriginal Australians, and all of the country's governments, to recognise the economic importance of Aboriginal people in many parts of Australia is not surprising. After all, it has taken the Australian courts more than two centuries to formally recognise that Aboriginal people not only lived in Australia before the arrival of non-Aboriginal people, but actually, from a common law perspective, owned the land as well. If the concept as patently absurd as terra nullius, which has been an extremely important ideological concept for non-Aboriginal Australia, can survive two hundred years, there is little reason to expect that the contribution of Aboriginal people to the economic development of Australia will be readily acknowledged. There is increasing evidence of the indispensable role Aboriginal people played in the economic development of Australia, including their contributions to the exploration of the continent by non-Aboriginal people, the contribution their labour made to the development and expansion of certain industries, particularly pastoralism, and as native police. These contributions are quite distinct from the wealth that has been generated from the land that Aboriginal people had taken away from them. As Justice Brennan commented in his decision in the Mabo case: 'Aborigines were dispossessed of their land parcel by parcel, to make way for expanding colonial settlement. Their dispossession underwrote the development of the nation' (Brennan 1992, 50).

This is the broad context of this report. It examines the economy of the Kimberley region, and the role and importance of Aboriginal people and Aboriginal organisations in the regional economy. It documents and examines some of the linkages between land ownership, resource management, and government funding. Wherever possible, comparisons with other areas of Australia, particularly the Northern Territory and Queensland, have been undertaken. In many parts of Australia, it is hard to avoid parochial debates, and easy to forget that even the remotest regions of the country experience the effects, directly or indirectly, of national and international events. Comparisons with other areas of Australia can break down some of this parochialism. The policies and programs of Western Australia regarding Aboriginal people are a product of the historical and geographical circumstances of the State. But this does not mean that these policies, programs, and the attitudes expressed by political leaders, are not being subject to a high degree of national, and increasingly, international scrutiny.
CHAPTER 2

POPULATION, EMPLOYMENT, INCOMES AND HOUSING
IN THE KIMBERLEY REGION

Introduction

The Kimberley region of Western Australia covers an area of some 421,130 square kilometres, an area equivalent to approximately half the land area of New South Wales. It includes the small towns of Broome, Derby, Fitzroy Crossing, Halls Creek, Wyndham and Kununurra. There are also a considerable number of relatively large, but more remote, Aboriginal communities, and many outstations. Responsibility for local government matters in the region is held by four shire councils: the Shire of Broome on the western coast of the region (area of 55,298 square kilometres), Derby—West Kimberley (105,323 square kilometres), Halls Creek (143,380 square kilometres), and Wyndham—East Kimberley (117,200 square kilometres) which has as its eastern boundary the border of the Northern Territory and Western Australia. The boundaries of the shires are shown on Map 1. References to the Kimberley region mean the area defined by the boundaries of the four shires, which is defined by the Australian Bureau of Statistics as the Kimberley Statistical Division.

There were six Aboriginal and Torres Strait Islander Commission regional councils in the Kimberley region. However, in May 1993 the Commonwealth Government legislated to reduce the number of regional councils from 60 to 36. In the Kimberley region, the number was to be reduced from six to three regional councils. The reduction came into effect with the regional council elections in December 1993. The decision to reduce the number of regional councils surprised many regional councillors, and was publicly criticised by some regional councils, particularly those in central Australia. Prior to May 1993 the regional councils in the Kimberley region were Kullarri (Broome region), Jayida Buru (Derby region), Bandaral Ngadu (Fitzroy Crossing region), Yarleyel (Halls Creek region), Wunan (Kununurra region), and Kutjungka (Balgo region). The boundaries of the six regional councils, and those of the new regional councils, are shown on Map 2 and 3.

Population of the Kimberley region

Population estimates of the Kimberley region have been published following the release of some of the data from the 1991 Census by the Australian Bureau of Statistics. Comparative data from the 1991 Census and previous Censuses are generally not included in this chapter. Although comparisons are often useful, it is not clear that the quality and therefore the comparability of the data is similar between
Censuses, particularly between the 1986 and 1991 Censuses. In many of the tables in the *Aboriginal Community Profiles* there are large non-stated or inadequately stated responses for the 1991 Census. More detailed research, when the data become available, will be necessary to provide such comparative perspectives.

Table 1 includes two sets of estimates of the population of the Kimberley region. Each resident on Census night was classified according to their ‘usual residence’. The population figures are classified depending on whether people were at home, visitors from the same Statistical Local Area (SLA), visitors from Statistical Local Areas in the same or other States and Territories, or overseas visitors. In the case of the Kimberley region, the Census was conducted during the height of the tourist season, and a considerable number of people counted in the population of the region were tourists or other visitors. For example, the population of the Shire of Broome on
Census night was estimated to be 11,151. However, 3,283 of these people were visitors from other SLAs in Western Australia, the remainder of Australia and overseas.

The non-adjusted population estimates include all people who were in the SLA on the night of the Census, regardless of their usual place of residence. The adjusted estimates exclude those people who were visitors from other SLAs, or visitors from overseas. The adjusted figures include people who were visitors from within the same SLA. Clearly the non-adjusted estimates result in a significantly lower proportion of the population being classified as Aboriginal or Torres Strait Islanders. This is largely because the population of the region was artificially inflated by a relatively large number of non-Aboriginal tourists and other visitors (4,489 people). The figures do not provide an exact estimate of the resident population of the whole Kimberley region because some of the people from other SLAs in Western Australia may in fact be residents of other Kimberley SLAs.
The Kimberley region, despite its vast land area, has a resident population of approximately 23,000 people, of whom approximately 45 per cent are Aboriginal people. According to the Census, the population of the Kimberley region represented only 1.8 per cent of the total Western Australian population. The resident Aboriginal population of the Kimberley region in mid-1991 was about one-quarter of the total Western Australian Aboriginal population, and approximately 36 per cent of the total Aboriginal population of Western Australia living outside of Perth. However, the reliability of the census figures is not entirely clear. For example, Australian Construction Services, from data collected during its national housing and community infrastructure needs survey in June 1992, which was commissioned by ATSIC, estimated that the Aboriginal population of the Kimberley region was 15,242 — fifty per cent higher than the 1991 Census estimate. It should also be noted that some of the percentages in Table 1 do not add to 100 per cent because 1,846 people out of the
Table 1 Aboriginal and non-Aboriginal population of the Kimberley region by shire, 1991 Census

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<th>Aboriginal number</th>
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<th>Non-Aboriginal number</th>
<th>Per cent</th>
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<td>Broome</td>
<td>3,168</td>
<td>28.4</td>
<td>7,426</td>
<td>66.6</td>
<td>11,152</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>3,737</td>
<td>48.4</td>
<td>3,555</td>
<td>46.0</td>
<td>7,722</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>1,920</td>
<td>63.4</td>
<td>1,000</td>
<td>33.0</td>
<td>3,027</td>
</tr>
<tr>
<td>Wyndham–East Kimberley</td>
<td>1,881</td>
<td>24.3</td>
<td>5,078</td>
<td>65.9</td>
<td>7,710</td>
</tr>
<tr>
<td>Total Kimberley</td>
<td>10,706</td>
<td>36.2</td>
<td>17,059</td>
<td>57.6</td>
<td>29,611</td>
</tr>
<tr>
<td></td>
<td>Adjusted population estimates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broome</td>
<td>2,984</td>
<td>38.5</td>
<td>4,766</td>
<td>61.5</td>
<td>7,750</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>3,616</td>
<td>54.4</td>
<td>3,031</td>
<td>45.6</td>
<td>6,647</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>1,885</td>
<td>74.4</td>
<td>648</td>
<td>25.6</td>
<td>2,533</td>
</tr>
<tr>
<td>Wyndham–East Kimberley</td>
<td>1,796</td>
<td>30.3</td>
<td>4,125</td>
<td>69.7</td>
<td>5,921</td>
</tr>
<tr>
<td>Total Kimberley</td>
<td>10,281</td>
<td>45.0</td>
<td>12,570</td>
<td>55.0</td>
<td>22,851</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics 1993c

total population of 29,611 did not state whether they were an Aboriginal or non-Aboriginal person. It is not possible to estimate how many of these people were Aboriginal people.

Another feature of the population is that most of the Aboriginal people are long-term residents. Of the 19,171 people aged five years and over in the Kimberley region at the census, 10,596 people were at the same address, or in the same SLA, five years ago. Almost two-thirds of these people were Aboriginal people. The Aboriginal population aged five years and over was 8,245, and 83 per cent of these people were either at the same address, or at an address in the same SLA, five years ago. Only 35 per cent of the non-Aboriginal population were at the same address or in the same SLA five years ago. In the absence of any major future non-Aboriginal population growth, the Aboriginal population can be regarded as the long-term demographic base of the region.

The broad employment structure of the Kimberley region

Some aspects of the economy of the Kimberley region can be examined using the employment data compiled by the Australian Bureau of Statistics for the 1991 Census. Three separate tables have been calculated from the Census figures, with a
breakdown according to the shires of the region. A breakdown on the basis of the six ATSIC regional councils was also possible, but has not been included here because of its limited relevance to the present situation. Indeed, ATSIC itself does not now appear to be particularly interested in Census data based on the previous regional council boundaries. Unfortunately, it has not been possible to exclude from the data details for the non-residents of the region.

The broadest type of labour market data for the Kimberley region is Labour Force Status, and is summarised in Table 2. For the region as a whole, of the total number of people included in this table (27,784), 11,377 people were classified as employed. Aboriginal people comprised 2,431 of these people, about 24 per cent of the total Aboriginal people surveyed. In contrast, 50.3 per cent of the non-Aboriginal population were classified as employed. For the Aboriginal population, the interesting feature of this Table 2 is the large number of Aboriginal people not in the labour force (2,999) and the number of people for which the categories used by the ABS were either 'not applicable' (3,627) or the information was 'not stated' (335). One-third of the Aboriginal people included in Table 2 were not in the labour force or their employment status was not stated. The 'not applicable' category included persons under the age of 15 years. There is a higher proportion of the Aboriginal population in this category primarily because of the different demographic structures of the Aboriginal and non-Aboriginal population.

For the State as a whole, 27 per cent of the 24,786 Aboriginal people surveyed were classified as employed, compared with 52.6 per cent of the non-Aboriginal population. While 53 per cent of the Aboriginal population was either not in the labour force or the information was not stated, the figure for the non-Aboriginal population was only 37 per cent.

Although the Aboriginal population of the Kimberley region comprised about one-quarter of the total State Aboriginal population, the employed Aboriginal people in the Kimberley region represented almost 36 per cent of the Aboriginal people classified as employed in the State. Presumably this reflects the impact of the Community Development Employment Projects (CDEP) scheme on the employment situation in the Kimberley region. There is a very high rate of utilisation of the CDEP scheme in the Kimberley region. But it is not entirely clear where the 2,500 CDEP participants in the Kimberley region are classified in these statistics. Of the 2,500 participants, approximately 1,500 would be classified as workers, and the remaining 1,000 would be the spouses of these workers. It is not certain that the coverage of the Census included all of these people, since many are living in very remote areas of the region. The total number of employed Aboriginal people in the region, according to the Census data, in all industries was estimated to be less than 2,500.
### Table 2 Labour force status, by shire, 1991 Census

<table>
<thead>
<tr>
<th></th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broome</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>641</td>
<td>3,501</td>
<td>4,142</td>
</tr>
<tr>
<td>Unemployed</td>
<td>228</td>
<td>404</td>
<td>632</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>835</td>
<td>2,430</td>
<td>3,265</td>
</tr>
<tr>
<td>Not stated</td>
<td>108</td>
<td>317</td>
<td>425</td>
</tr>
<tr>
<td>Not applicable</td>
<td>1,356</td>
<td>1,333</td>
<td>2,689</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,168</td>
<td>7,985</td>
<td>11,153</td>
</tr>
<tr>
<td><strong>Derby–West Kimberley</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>1,007</td>
<td>2,004</td>
<td>3,011</td>
</tr>
<tr>
<td>Unemployed</td>
<td>197</td>
<td>108</td>
<td>305</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>1,120</td>
<td>766</td>
<td>1,886</td>
</tr>
<tr>
<td>Not stated</td>
<td>41</td>
<td>169</td>
<td>210</td>
</tr>
<tr>
<td>Not applicable</td>
<td>1,377</td>
<td>931</td>
<td>2,308</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,742</td>
<td>3,978</td>
<td>7,720</td>
</tr>
<tr>
<td><strong>Halls Creek</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>298</td>
<td>565</td>
<td>863</td>
</tr>
<tr>
<td>Unemployed</td>
<td>74</td>
<td>22</td>
<td>96</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>567</td>
<td>301</td>
<td>868</td>
</tr>
<tr>
<td>Not stated</td>
<td>133</td>
<td>63</td>
<td>196</td>
</tr>
<tr>
<td>Not applicable</td>
<td>852</td>
<td>155</td>
<td>1,007</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,924</td>
<td>1,106</td>
<td>3,030</td>
</tr>
<tr>
<td><strong>Wyndham–East Kimberley</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>485</td>
<td>2,876</td>
<td>3,361</td>
</tr>
<tr>
<td>Unemployed</td>
<td>114</td>
<td>206</td>
<td>320</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>477</td>
<td>1,137</td>
<td>1,614</td>
</tr>
<tr>
<td>Not stated</td>
<td>53</td>
<td>447</td>
<td>500</td>
</tr>
<tr>
<td>Not applicable</td>
<td>42</td>
<td>44</td>
<td>86</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,171</td>
<td>4,710</td>
<td>5,881</td>
</tr>
<tr>
<td><strong>Kimberley region</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>2,431</td>
<td>8,946</td>
<td>11,377</td>
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<td>Unemployed</td>
<td>613</td>
<td>740</td>
<td>1,353</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>2,999</td>
<td>4,634</td>
<td>7,633</td>
</tr>
<tr>
<td>Not stated</td>
<td>335</td>
<td>996</td>
<td>1,331</td>
</tr>
<tr>
<td>Not applicable</td>
<td>3,627</td>
<td>2,463</td>
<td>6,090</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10,005</td>
<td>17,779</td>
<td>27,784</td>
</tr>
<tr>
<td><strong>Western Australia</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>6,785</td>
<td>625,468</td>
<td>632,253</td>
</tr>
<tr>
<td>Unemployed</td>
<td>4,167</td>
<td>90,347</td>
<td>94,514</td>
</tr>
<tr>
<td>Not in labour force</td>
<td>12,083</td>
<td>415,717</td>
<td>425,800</td>
</tr>
<tr>
<td>Not stated</td>
<td>1,160</td>
<td>23,080</td>
<td>24,240</td>
</tr>
<tr>
<td>TOTAL</td>
<td>24,786</td>
<td>1,188,122</td>
<td>1,212,908</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics 1993c
Employment by industry

Table 3 includes employment figures by industry and by shire council region. There are some slight discrepancies between the data in this Table and that in Table 2. The figures in Table 3 were compiled from unpublished data prepared by the Aboriginal Statistics Unit in Darwin. These figures are more detailed than those published in the community profiles (Catalogue No 2722.5).

The concentration of Aboriginal people working in the community services sector is apparent from this table. Of the total number of Aboriginal people employed in the Kimberley region, 47 per cent are included in the classifications Other Community Services and Other Community Services Undefined. These are the industries where many of the Aboriginal employees of the Aboriginal service organisations, including the resource centres, would presumably be included. If the Aboriginal employees in public administration and defence are added to this figure (which would probably be dominated by employment in the regional offices of ATSIC), the non-private sector nature of Aboriginal employment in the region becomes apparent. Almost 57 per cent of Aboriginal people who are employed in the region are employed in various types of community service organisations and public administration and defence. In contrast, the figure for the non-Aboriginal population of the region is about 10 per cent. More than 59 per cent of the employees in community services and public administration and defence are Aboriginal people.

This is an interesting statistic when it is compared with the figures for Gross Domestic Product (GDP), shown in Table 11 in Chapter 3. Public administration, defence and community services are the second largest contributors to GDP in the Kimberley region after mining. The GDP of this industry was estimated to be $88 million in 1990–91. This is the sector where the formal employment of Aboriginal people is concentrated, and the industry category is likely to be heavily dominated by Aboriginal organisations and government departments and authorities providing services to the Aboriginal population (particularly ATSIC).

The employment in the industries where there is a relatively high degree of private ownership, including agriculture, mining, manufacturing, finance, property and business services, and wholesale and retail trade, is largely occupied by non-Aboriginal people. More than 40 per cent of the non-Aboriginal workforce is in these industries, compared with about 14 per cent of the Aboriginal employees. Non-Aboriginal people occupy more than 91 per cent of the jobs in these industries. This is a similar situation to that found in many other areas of Australia. The data compiled for the study *Aboriginal Economic Development in Central Australia*, based on the 1986 Census, showed similar differences in the pattern of employment between Aboriginal and non-Aboriginal people (Crough, Howitt & Pritchard 1989, 17).
### Table 3 Employment by industry for 1991–92, by shire, 1991 Census

<table>
<thead>
<tr>
<th>Broome</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing &amp; hunting</td>
<td>44</td>
<td>419</td>
<td>463</td>
</tr>
<tr>
<td>Mining</td>
<td>0</td>
<td>73</td>
<td>73</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3</td>
<td>73</td>
<td>76</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>13</td>
<td>55</td>
<td>68</td>
</tr>
<tr>
<td>Construction</td>
<td>11</td>
<td>178</td>
<td>189</td>
</tr>
<tr>
<td>Wholesale, retail &amp; trade</td>
<td>16</td>
<td>508</td>
<td>524</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>10</td>
<td>199</td>
<td>209</td>
</tr>
<tr>
<td>Communication</td>
<td>0</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Finance, property &amp; business services</td>
<td>6</td>
<td>186</td>
<td>192</td>
</tr>
<tr>
<td>Public administration &amp; defence</td>
<td>44</td>
<td>194</td>
<td>238</td>
</tr>
<tr>
<td>Health</td>
<td>56</td>
<td>165</td>
<td>221</td>
</tr>
<tr>
<td>Education, museum &amp; library services</td>
<td>56</td>
<td>244</td>
<td>300</td>
</tr>
<tr>
<td>Welfare &amp; religious institutions</td>
<td>19</td>
<td>37</td>
<td>56</td>
</tr>
<tr>
<td>Other community services</td>
<td>110</td>
<td>109</td>
<td>220</td>
</tr>
<tr>
<td>Other community services undefined</td>
<td>163</td>
<td>11</td>
<td>175</td>
</tr>
<tr>
<td>Other services</td>
<td>25</td>
<td>529</td>
<td>554</td>
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<tr>
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<td>3</td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td>Not stated</td>
<td>48</td>
<td>292</td>
<td>340</td>
</tr>
<tr>
<td>TOTAL</td>
<td>640</td>
<td>3,502</td>
<td>4,142</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wyndham–East Kimberley</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing &amp; hunting</td>
<td>33</td>
<td>375</td>
<td>408</td>
</tr>
<tr>
<td>Mining</td>
<td>21</td>
<td>423</td>
<td>444</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>6</td>
<td>71</td>
<td>77</td>
</tr>
<tr>
<td>Construction</td>
<td>7</td>
<td>187</td>
<td>194</td>
</tr>
<tr>
<td>Wholesale, retail &amp; trade</td>
<td>4</td>
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<td>352</td>
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<tr>
<td>Transport &amp; storage</td>
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<td>220</td>
<td>227</td>
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<td>22</td>
</tr>
<tr>
<td>Finance, property &amp; business services</td>
<td>3</td>
<td>126</td>
<td>129</td>
</tr>
<tr>
<td>Public administration &amp; defence</td>
<td>151</td>
<td>127</td>
<td>278</td>
</tr>
<tr>
<td>Health</td>
<td>13</td>
<td>132</td>
<td>145</td>
</tr>
<tr>
<td>Education, museum &amp; library services</td>
<td>22</td>
<td>141</td>
<td>163</td>
</tr>
<tr>
<td>Welfare &amp; religious institutions</td>
<td>12</td>
<td>23</td>
<td>35</td>
</tr>
<tr>
<td>Other community services</td>
<td>125</td>
<td>115</td>
<td>240</td>
</tr>
<tr>
<td>Other community services undefined</td>
<td>19</td>
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<td>22</td>
</tr>
<tr>
<td>Other services</td>
<td>3</td>
<td>239</td>
<td>242</td>
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<tr>
<td>Not classifiable</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Not stated</td>
<td>54</td>
<td>218</td>
<td>272</td>
</tr>
<tr>
<td>TOTAL</td>
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<td>2,873</td>
<td>3,356</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Derby–West Kimberley</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing &amp; hunting</td>
<td>43</td>
<td>124</td>
<td>167</td>
</tr>
<tr>
<td>Mining</td>
<td>6</td>
<td>231</td>
<td>237</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6</td>
<td>233</td>
<td>239</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>6</td>
<td>33</td>
<td>39</td>
</tr>
<tr>
<td>Construction</td>
<td>22</td>
<td>136</td>
<td>158</td>
</tr>
<tr>
<td>Wholesale, retail &amp; trade</td>
<td>89</td>
<td>217</td>
<td>306</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>7</td>
<td>69</td>
<td>76</td>
</tr>
<tr>
<td>Communication</td>
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<td>23</td>
</tr>
<tr>
<td>Finance, property &amp; business services</td>
<td>5</td>
<td>55</td>
<td>60</td>
</tr>
<tr>
<td>Public administration &amp; defence</td>
<td>21</td>
<td>222</td>
<td>243</td>
</tr>
<tr>
<td>Health</td>
<td>45</td>
<td>324</td>
<td>369</td>
</tr>
<tr>
<td>Education, museum &amp; library services</td>
<td>38</td>
<td>168</td>
<td>206</td>
</tr>
</tbody>
</table>

27
### Aboriginal people in the economy of the Kimberley region

<table>
<thead>
<tr>
<th>Derby–West Kimberley (cont.)</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare &amp; religious institutions</td>
<td>10</td>
<td>32</td>
<td>42</td>
</tr>
<tr>
<td>Other community services</td>
<td>322</td>
<td>69</td>
<td>391</td>
</tr>
<tr>
<td>Other community services undefined</td>
<td>257</td>
<td>7</td>
<td>264</td>
</tr>
<tr>
<td>Other services</td>
<td>16</td>
<td>109</td>
<td>125</td>
</tr>
<tr>
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<td>4</td>
</tr>
<tr>
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<td>139</td>
<td>175</td>
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<td><strong>TOTAL</strong></td>
<td><strong>929</strong></td>
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<td><strong>3,124</strong></td>
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<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing &amp; hunting</td>
<td>44</td>
<td>138</td>
<td>182</td>
</tr>
<tr>
<td>Mining</td>
<td>5</td>
<td>11</td>
<td>16</td>
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<tr>
<td>Manufacturing</td>
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<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
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<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Construction</td>
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<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Wholesale, retail &amp; trade</td>
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<td>53</td>
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<tr>
<td>Transport &amp; storage</td>
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<td>38</td>
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<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Finance, property &amp; business services</td>
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<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Public administration &amp; defence</td>
<td>13</td>
<td>27</td>
<td>40</td>
</tr>
<tr>
<td>Health</td>
<td>14</td>
<td>31</td>
<td>45</td>
</tr>
<tr>
<td>Education, museum &amp; library services</td>
<td>13</td>
<td>66</td>
<td>79</td>
</tr>
<tr>
<td>Welfare &amp; religious institutions</td>
<td>42</td>
<td>13</td>
<td>55</td>
</tr>
<tr>
<td>Other community services</td>
<td>93</td>
<td>25</td>
<td>118</td>
</tr>
<tr>
<td>Other community services undefined</td>
<td>20</td>
<td>6</td>
<td>26</td>
</tr>
<tr>
<td>Other services</td>
<td>3</td>
<td>45</td>
<td>48</td>
</tr>
<tr>
<td>Not classifiable</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Not stated</td>
<td>35</td>
<td>62</td>
<td>97</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>305</strong></td>
<td><strong>572</strong></td>
<td><strong>877</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kimberley region totals</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, fishing &amp; hunting</td>
<td>164</td>
<td>1,056</td>
<td>1,220</td>
</tr>
<tr>
<td>Mining</td>
<td>32</td>
<td>738</td>
<td>770</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>13</td>
<td>420</td>
<td>433</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>28</td>
<td>169</td>
<td>197</td>
</tr>
<tr>
<td>Construction</td>
<td>40</td>
<td>523</td>
<td>563</td>
</tr>
<tr>
<td>Wholesale, retail &amp; trade</td>
<td>113</td>
<td>1,122</td>
<td>1,235</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>30</td>
<td>520</td>
<td>550</td>
</tr>
<tr>
<td>Communication</td>
<td>0</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Finance, property &amp; business services</td>
<td>17</td>
<td>382</td>
<td>399</td>
</tr>
<tr>
<td>Public administration &amp; defence</td>
<td>229</td>
<td>570</td>
<td>799</td>
</tr>
<tr>
<td>Health</td>
<td>128</td>
<td>652</td>
<td>780</td>
</tr>
<tr>
<td>Education, museum &amp; library services</td>
<td>129</td>
<td>619</td>
<td>748</td>
</tr>
<tr>
<td>Welfare &amp; religious institutions</td>
<td>83</td>
<td>105</td>
<td>188</td>
</tr>
<tr>
<td>Other community services</td>
<td>650</td>
<td>318</td>
<td>969</td>
</tr>
<tr>
<td>Other community services undefined</td>
<td>459</td>
<td>27</td>
<td>487</td>
</tr>
<tr>
<td>Other services</td>
<td>47</td>
<td>922</td>
<td>969</td>
</tr>
<tr>
<td>Not classifiable</td>
<td>9</td>
<td>32</td>
<td>41</td>
</tr>
<tr>
<td>Not stated</td>
<td>173</td>
<td>711</td>
<td>884</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,357</strong></td>
<td><strong>9,142</strong></td>
<td><strong>11,499</strong></td>
</tr>
</tbody>
</table>

Employment by occupation

Important differences between the Aboriginal and non-Aboriginal employees of the region also appear when the employment figures are classified by occupation. These figures are summarised in Table 4. While 13 per cent of the non-Aboriginal employees in the region were classified as managers and administrators, only 3 per cent of Aboriginal people were similarly classified. On the other hand, while 35 per cent of the Aboriginal employees were classified as labourers and related workers, only 16 per cent of non-Aboriginal people were in this category. Only 12 per cent of the school teachers in the region were Aboriginal people, and only about 15 per cent of the sales persons and personal service workers were Aboriginal people.

For the State as a whole, 26.4 per cent of the employed Aboriginal people were classified as labourers and related workers, compared with 12.6 per cent of the total population. While only 7.6 per cent of employed Aboriginal people were classified as personal sales and service employees, the figure for the entire population was 13.7 per cent. According to the Census, only 1.1 per cent of the employed people in the State were Aboriginal people (Australian Bureau of Statistics & Western Australian Government 1993, 54).

The housing and community infrastructure situation

While the Census data contains information about other aspects of the population of the Kimberley region, including the housing, some other detailed data are available to demonstrate some of the features of the region. In 1991 ATSIC commissioned Australian Construction Services to undertake a detailed survey of housing and community infrastructure in Aboriginal communities. The stated intention of the survey was to quantify the expenditure requirements for housing and community infrastructure in Aboriginal communities. In part, the survey was expected to demonstrate to governments that not only was the present level of spending on Aboriginal programs and services justified, but there was a very strong case for a substantial additional commitment of financial resources from governments to address the infrastructure backlogs. The first stage of the survey applied to discrete Aboriginal communities, outstations and town camps. A later stage of the survey was to have surveyed Aboriginal people living in the metropolitan and other urban areas. Hundreds of separate reports were prepared by Australian Construction Services for individual communities, ATSIC regions and zones, the States and Territories, and for the country as a whole.
### Table 4 Employment by occupation, by shire, 1991 Census

<table>
<thead>
<tr>
<th>Shire</th>
<th>Aboriginal</th>
<th>Non-Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Broome</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers &amp; administrators</td>
<td>33</td>
<td>484</td>
<td>517</td>
</tr>
<tr>
<td>Professionals &amp; para-professionals</td>
<td>103</td>
<td>710</td>
<td>813</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>93</td>
<td>529</td>
<td>622</td>
</tr>
<tr>
<td>Clerks</td>
<td>100</td>
<td>377</td>
<td>477</td>
</tr>
<tr>
<td>Sales persons &amp; personal service workers</td>
<td>52</td>
<td>486</td>
<td>538</td>
</tr>
<tr>
<td>Plant &amp; machine operators</td>
<td>28</td>
<td>129</td>
<td>157</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>167</td>
<td>500</td>
<td>667</td>
</tr>
<tr>
<td>Not stated &amp; inadequately stated</td>
<td>78</td>
<td>246</td>
<td>324</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>654</td>
<td>3,461</td>
<td>4,115</td>
</tr>
<tr>
<td><strong>Derby—West Kimberley</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers &amp; administrators</td>
<td>21</td>
<td>201</td>
<td>222</td>
</tr>
<tr>
<td>Professionals &amp; para-professionals</td>
<td>293</td>
<td>467</td>
<td>760</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>85</td>
<td>313</td>
<td>398</td>
</tr>
<tr>
<td>Clerks</td>
<td>85</td>
<td>214</td>
<td>299</td>
</tr>
<tr>
<td>Sales persons &amp; personal service workers</td>
<td>47</td>
<td>187</td>
<td>234</td>
</tr>
<tr>
<td>Plant &amp; machine operators</td>
<td>43</td>
<td>155</td>
<td>198</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>384</td>
<td>306</td>
<td>690</td>
</tr>
<tr>
<td>Not stated &amp; inadequately stated</td>
<td>53</td>
<td>124</td>
<td>177</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,011</td>
<td>1,967</td>
<td>2,978</td>
</tr>
<tr>
<td><strong>Halls Creek</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers &amp; administrators</td>
<td>6</td>
<td>83</td>
<td>89</td>
</tr>
<tr>
<td>Professionals &amp; para-professionals</td>
<td>23</td>
<td>146</td>
<td>169</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>32</td>
<td>82</td>
<td>114</td>
</tr>
<tr>
<td>Clerks</td>
<td>21</td>
<td>53</td>
<td>74</td>
</tr>
<tr>
<td>Sales persons &amp; personal service workers</td>
<td>13</td>
<td>45</td>
<td>58</td>
</tr>
<tr>
<td>Plant &amp; machine operators</td>
<td>12</td>
<td>27</td>
<td>39</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>100</td>
<td>99</td>
<td>199</td>
</tr>
<tr>
<td>Not stated &amp; inadequately stated</td>
<td>87</td>
<td>28</td>
<td>115</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>294</td>
<td>563</td>
<td>857</td>
</tr>
<tr>
<td><strong>Wyndham—East Kimberley</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers &amp; administrators</td>
<td>19</td>
<td>421</td>
<td>440</td>
</tr>
<tr>
<td>Professionals &amp; para-professionals</td>
<td>49</td>
<td>565</td>
<td>614</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>67</td>
<td>409</td>
<td>476</td>
</tr>
<tr>
<td>Clerks</td>
<td>40</td>
<td>292</td>
<td>332</td>
</tr>
<tr>
<td>Sales persons &amp; personal service workers</td>
<td>24</td>
<td>244</td>
<td>268</td>
</tr>
<tr>
<td>Plant &amp; machine operators</td>
<td>30</td>
<td>338</td>
<td>368</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>202</td>
<td>489</td>
<td>691</td>
</tr>
<tr>
<td>Not stated &amp; inadequately stated</td>
<td>75</td>
<td>160</td>
<td>235</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>506</td>
<td>2,918</td>
<td>3,424</td>
</tr>
<tr>
<td><strong>Kimberley region</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers &amp; administrators</td>
<td>79</td>
<td>1,199</td>
<td>1,268</td>
</tr>
<tr>
<td>Professionals &amp; para-professionals</td>
<td>468</td>
<td>1,888</td>
<td>2,356</td>
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<tr>
<td>Tradespersons</td>
<td>277</td>
<td>1,333</td>
<td>1,610</td>
</tr>
<tr>
<td>Clerks</td>
<td>246</td>
<td>936</td>
<td>1,182</td>
</tr>
<tr>
<td>Sales persons &amp; personal service workers</td>
<td>136</td>
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<td>Plant &amp; machine operators</td>
<td>113</td>
<td>649</td>
<td>762</td>
</tr>
<tr>
<td>Labourers &amp; related workers</td>
<td>853</td>
<td>1,394</td>
<td>2,247</td>
</tr>
<tr>
<td>Not stated &amp; inadequately stated</td>
<td>293</td>
<td>558</td>
<td>851</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,465</td>
<td>8,909</td>
<td>11,374</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics 1993c
Table 5  Estimated cost of providing housing, repairing houses, and upgrading roads in discrete Aboriginal communities, 30 June 1992

<table>
<thead>
<tr>
<th></th>
<th>Providing housing</th>
<th>Repairing housing</th>
<th>Total housing ($ million)</th>
<th>Upgrading roads</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kullami</td>
<td>14.3</td>
<td>5.2</td>
<td>19.5</td>
<td>8.0</td>
<td>27.5</td>
</tr>
<tr>
<td>Jayida Buru</td>
<td>18.6</td>
<td>3.9</td>
<td>22.4</td>
<td>4.1</td>
<td>26.6</td>
</tr>
<tr>
<td>Bandaral Ngadu</td>
<td>26.0</td>
<td>5.7</td>
<td>31.7</td>
<td>7.0</td>
<td>38.7</td>
</tr>
<tr>
<td>Wunan</td>
<td>45.5</td>
<td>2.3</td>
<td>47.8</td>
<td>31.5</td>
<td>79.3</td>
</tr>
<tr>
<td>Yarleyel</td>
<td>14.5</td>
<td>0.9</td>
<td>15.4</td>
<td>1.4</td>
<td>16.8</td>
</tr>
<tr>
<td>Kutjungka</td>
<td>9.3</td>
<td>1.0</td>
<td>10.3</td>
<td>2.2</td>
<td>12.5</td>
</tr>
<tr>
<td>Total Kimberley</td>
<td>128.2</td>
<td>19.0</td>
<td>147.1</td>
<td>54.2</td>
<td>201.4</td>
</tr>
<tr>
<td>Other Western Australia</td>
<td>99.7</td>
<td>12.5</td>
<td>112.4</td>
<td>71.9</td>
<td>331.3</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>378.1</td>
<td>81.5</td>
<td>459.5</td>
<td>132.5</td>
<td>592.0</td>
</tr>
<tr>
<td>Queensland</td>
<td>274.8</td>
<td>108.6</td>
<td>383.3</td>
<td>164.1</td>
<td>547.4</td>
</tr>
<tr>
<td>Australia</td>
<td>1,145.1</td>
<td>284.3</td>
<td>1,429.3</td>
<td>423.6</td>
<td>1,852.9</td>
</tr>
</tbody>
</table>

Source: Australian Construction Services (1992a, 1992b)

In terms of housing construction and repairs, the estimated financial requirements for the ATSIC regional councils in the Kimberley region accounted for about 57 per cent of the total for the non-urban areas of Western Australia, and about 10 per cent of the national non-urban figure. The situation is worse with respect to roads, with the Kimberley region accounting for 75 per cent of the required expenditure in the State, and 17 per cent of the national figure. The ACS survey also produced a number of other interesting features of the Kimberley Aboriginal population. On almost all of the indicators surveyed, the Kimberley Aboriginal population accounted for a disproportionate share of the national non-urban total.

- 4,418 Aboriginal people required housing, 30 per cent of the total population of the six Kimberley regional councils
- 994 Aboriginal people lived in communities without a sewerage disposal system, almost 30 per cent of the national total of the number of Aboriginal people affected nationally
- although only a small number of Aboriginal people were living in communities not connected to the national telephone network, 4,681 people did not have access to a regular postal service, almost 20 per cent of the national figure
- 1,272 Aboriginal people were living in communities without access to local medical services, 30 per cent of the national total, and 1,916 were without access to local health programs, almost ten per cent of the national figure

31
Aboriginal people in the economy of the Kimberley region

- 1,371 were living in communities with no electricity supply, 16.6 per cent of the number of Aboriginal people affected nationally.

The results of the ACS survey were broadly confirmed by the Census data on Aboriginal housing. The statistics in Table 6 are only for those Aboriginal people who provided an adequate answer to the question. The not stated figures are not included in the table. For the Kimberley region as a whole, almost as many dwellings in which Aboriginal people were living were some form of improvised houses (40 per cent) as separate houses, townhouses and flats (47 per cent). That is, of the 1,721 dwellings in which Aboriginal were living in the region, 691 were a form of improvised housing and 815 were separate houses, flats or townhouses. Almost half of the Aboriginal people for which information was collected were living in some form of improvised housing (4,999 people), whereas only 38 per cent of the Aboriginal population were living in separate houses (3,846 people). For the State as a whole, of the 8,878 dwellings in which Aboriginal people were living, 1,170 were some form of improvised housing or camping out. That is, almost sixty per cent of these types of dwellings occupied by Aboriginal people were in the Kimberley region (Australian Bureau of Statistics & Western Australian Government 1993, 57).

Table 6 Aboriginal housing data, by shire, 1991 Census

<table>
<thead>
<tr>
<th>Occupied dwellings</th>
<th>Aboriginal people in dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>House, flat</td>
</tr>
<tr>
<td></td>
<td>(Per cent)</td>
</tr>
<tr>
<td>Broome</td>
<td>62</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>44</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>27</td>
</tr>
<tr>
<td>Wyndham–East Kimberley</td>
<td>46</td>
</tr>
<tr>
<td>Kimberley region</td>
<td>47</td>
</tr>
</tbody>
</table>

Source: Australian Bureau of Statistics 1993c

Apart from the demonstrated national need that exists for spending on Aboriginal housing and other community infrastructure, the national housing and infrastructure survey and the census data have been used to assist the ATSIC commissioners and regional councillors to determine priorities for the allocation of ATSIC funding. There are important differences of opinion within ATSIC regarding both the appropriate distribution of funds between the States and Territories, and within each of the States and Territories. The information collected from the survey on housing and community infrastructure was designed, in part, to assist with these deliberations.
Unfortunately, because the first stage of the survey was restricted to non-urban Aboriginal communities, it provided no data on the situation of Aboriginal people in the major urban areas. This is a particularly significant issue because, as the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs noted in its aptly titled report *Mainly Urban*, almost 70 per cent of the Aboriginal population lives in cities and towns having a population of 1,000 or more. Almost a quarter of the Aboriginal population lives in the major cities.

ATSIC has used the information collected from the survey to compile an index of socio-economic disadvantage. The Office of Evaluation and Audit outlined the need it perceived for the preparation of such indicators:

Firstly, the indicators can serve to highlight the disparity that may exist between the socio-economic status of Aboriginals and Torres Strait Islanders and the total Australian population, and thereby, help in formulating policies and goals to reduce the disparity. Secondly, the indicators at sub-national level can reveal geographic variations in socio-economic status. The indicators can serve to distinguish the characteristics of specific population groups that may require special policy or program focusing, such as women, children and the aged. Thirdly, measurements for various points in time enable policy makers to monitor changes in the socio-economic status, and therefore evaluate the impacts of the Aboriginal advancement programs directed at the national and sub-national levels. Indicators can thus help with the measurement of outcomes and the ongoing development of policy and setting of goals (Khalidi 1992, 1).

One of the main problems with such indicators is that they suggest an unjustified degree of precision. The accuracy of the national census figures on the Aboriginal population has been questioned by researchers and government departments and authorities, and by many Aboriginal organisations and communities. If there is doubt about the accuracy of population counts, then it is more than likely that there will be even greater uncertainty about the reliability of figures relating to other socio-economic factors, such as income and employment. ATSIC has to some extent acknowledged these reservations, but has still attempted to calculate indexes of socio-economic disadvantage. It is hard to see how ATSIC could avoid some quantification, given the prevailing view that quantification and planning are not only desirable, but necessary. The index calculated by Khalidi in the Office of Evaluation and Audit included factors relating to demographic and health variables, such as the dependency ratio (the ratio of children (0–14 ages) and ‘economically inactive persons’ (population 65 years and more) to the ‘economically active persons’ (population aged 15–64); educational variables, including the proportion who left school at age less than 15 years, and the proportion who never attended school; economic variables, including the proportion with individual incomes less than $6,001, and the unemployment to population ratio; and housing variables, such as the proportion who do not own or are purchasing their homes, and dwelling occupancy rates (Khalidi 1992, 5).

When the ratio of socio-economic disadvantage was calculated, for Australia as a whole the results indicated that while there had been an overall improvement in the
socio-economic position of the Aboriginal population between 1976 and 1986, the
gap between the Aboriginal population and the total Australian population had
widened. There were 11 ATSIC regions classified as highly disadvantaged. Four of
the six Regional Councils in the Kimberley region (Wunan, Bandaral Ngadu, Yarleylel
and Kutjungka) were included amongst the most disadvantaged regions in Australia.

**Incomes in the Kimberley region**

The 1991 Census also provided data about income levels in the Kimberley region. The statistics in Table 7 are for people aged 15 years and over. Although 48 per cent of Aboriginal people aged 15 years and over in the Kimberley region received annual income in the range $0–8,000, only 20 per cent of the non-Aboriginal population were within this income range. Approximately 81 per cent of the Aboriginal population in the region were classified in the annual income range of $0–20,000, compared with only 42 per cent of the non-Aboriginal population. For Western Australia as a whole 44 per cent of the Aboriginal population aged 15 years and over received an annual income in the range $0–8,000, compared with 31 per cent of the non-Aboriginal population (Australian Bureau of Statistics 1993a). In the Shires of Derby–West Kimberley and Halls Creek well over half of the Aboriginal population received an annual income in the range $0–8,000, compared with only 17 per cent of the non-Aboriginal population. For the region as a whole, it is to be expected that a large proportion of Aboriginal people would have relatively low incomes because the majority of their income is comprised of CDEP wage payments or social security payments.

Fifty-four per cent of the Aboriginal households in the region received an annual income in the range $0–40,000. More than one-third of Aboriginal households received income in the range $0–25,000. The proportion of the Aboriginal and non-Aboriginal households in this income range was very similar. At the other end of the income scales, more than one-third of non-Aboriginal households received income in excess of $40,000, compared with 21 per cent of the Aboriginal households.

When analysing data collected on the basis of ‘families’ and ‘households’ in Aboriginal communities, considerable care needs to be taken. In fact, the usefulness of these terms when applied to many Aboriginal people is questionable. The Australian Bureau of Statistics defined a ‘census household’ to be ‘either a person living alone or people who usually reside and eat together’. A ‘family’ is a ‘group of related individuals in a household where at least one person is aged 15 years or more. A census household can contain up to three families’. It is well known that one of the primary reasons for the rapid deterioration of housing in Aboriginal communities is overcrowding, and that many Aboriginal households include a large number of people. An education and training survey conducted in the Shire of Halls Creek demonstrated how many people can comprise an Aboriginal household. The survey found that there were two households with 21 or more people, 21 households which included 16–20 people, and 17 households which included 11–15 people. There were
125 households with 5 or less people (Macleod 1992). The divergence in the size of Aboriginal households needs to be taken into account when using the results from the Census.

**Table 7 Annual household and individual incomes in the Kimberley region, by shire, 1991 Census**

<table>
<thead>
<tr>
<th></th>
<th>$0–8,000</th>
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* 'Not stated' includes partially stated
Source: Australian Bureau of Statistics 1993c

The Australian Bureau of Statistics also prepared data for the 21 communities and towns in the Kimberley region with an Aboriginal population of 80 or more. These figures obviously do not represent the entire Aboriginal population of the region since a considerable number of Aboriginal people live on outstations and other small communities with populations of less than 80 people. Of the 5,381 Aboriginal people
over 15 years of age in the larger towns and communities, 2,485 (46.2 per cent) had an annual income less than $8,000. The proportions of the Aboriginal population in the Shires of Broome and Wyndham–East Kimberley with annual income less than $8,000 (41.8 per cent and 31.6 per cent) were considerably lower than in the Shires of Derby–West Kimberley (51.6 per cent) and Halls Creek (55.3 per cent).

Table 8 Annual incomes of Aboriginal people and households in the Kimberley region, by major town and community, 1991 Census

<table>
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<tr>
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<th>$0–8,000</th>
<th>$8,001–20,000</th>
<th>$20,001–40,000</th>
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36
Table 8 (cont.)

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</table>

Source: Australian Bureau of Statistics 1993c

The statistics in Tables 7 and 8 demonstrate that a considerable number of Aboriginal people in the region receive very low incomes. However, it is also clear from Table 7 that a significant proportion of the non-Aboriginal population have relatively high incomes. For the region as a whole, 17 per cent of non-Aboriginal people had an annual income in excess of $40,000. In the Shire of Derby–West Kimberley the proportion was 28 per cent, and 22 per cent in the Shire of Wyndham–East Kimberley. It is likely that the income figures for the two shires reflect the relatively high wage and salary payments to the employees of the mines near Kununurra and Fitzroy Crossing. The relatively high incomes of some people in the region are also reflected in the taxation statistics published by the Australian Taxation Office. Despite the fact that about one-quarter of individuals in the region did not pay income taxation in 1990–91 (compared with 17 per cent for the State as a whole), the average
taxable income in the region was still well above the State and Australian average figures.

These figures have been more recently confirmed by the Industry Commission which estimated that the average personal income in the Kimberley region in 1991 was $18,958. The region ranked eighth out of a total of 62 regions in Australia. Reflecting the importance of the mining industry, and the higher average incomes of employees in that industry, the Pilbara region was ranked as having the highest average personal income in Australia in 1991 of $26,425 (Industry Commission 1993, vol 2, B15).

**Table 9 Taxation statistics for individual taxpayers in the Kimberley region, Western Australia and Australia, 1990–91**

<table>
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<tr>
<th></th>
<th>Non-taxable</th>
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<th>Taxable income</th>
<th>Average taxable income</th>
<th>Net tax</th>
<th>Average total tax</th>
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<tr>
<td></td>
<td>(Number)</td>
<td>(Number)</td>
<td>($ million)</td>
<td>($ million)</td>
<td>(million)</td>
<td>($)</td>
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<td>4,690</td>
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<td>7,800,247</td>
<td>197,237</td>
<td>25,286</td>
<td>44,208</td>
<td>5,822</td>
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</table>

Source: Australian Taxation Office (1992)

**The cost of living in the Kimberley region**

The Kimberley region is remote from the main population centres of Australia, with the largest population centre (Darwin) at least 800 kilometres travel by road transport. As with many such areas, the cost of living of most goods and services is high relative to the capital cities. The cost of living is further increased in some of the towns in the region during the tourist season when the prices of many goods and services rise. For many of the people living in the region, the higher living costs are offset by income taxation zone rebates, remote area allowances, electricity subsidies, other special employment conditions, and additional social security payments. However considerable numbers of Aboriginal people in the region are not in receipt of many of these benefits, mainly because of their high unemployment levels. In addition, many
Aboriginal people live in very remote parts of the region, and are considerably affected by the high transportation costs.

The Health Department of Western Australia has undertaken a price survey since 1986 in order to compare prices in shops in the Kimberley and Pilbara regions with those in Perth. The results of some of the previous surveys have been published. Some sections of the Health Department have been concerned about the poor nutrition levels of many Aboriginal people, particularly Aboriginal children, and the effects on the pattern of food consumption of the high prices. The surveys were intended to demonstrate some of the implications of the high prices for people in receipt of social security benefits, and to provide comparative data on prices in individual stores. One of the published reports suggested that a food voucher system could be introduced for Aboriginal mothers and other disadvantaged sections of the community. However, it was noted that although such a system might overcome the immediate nutritional needs, it would also ‘perpetuate the welfare mentality’, and would not overcome the problems of the major price differentials due to geographical isolation (Sullivan, Gracey & Hevron 1987, 336–7; 1988, 36–39).

The Department has measured the prices of a ‘market basket’ of basic food and non-food items in individual shops and community stores. The composition of the basket was determined by examining the biggest selling items in shops and community stores. The quantities of each item were determined following discussions with health workers and community sisters. The basket was based on the estimated needs of an Aboriginal family of five for a fortnight. The figures in Table 10 are broadly indicative of the comparative prices of the market basket of goods, although in some of the communities the full range of goods was not surveyed due to unavailability of the goods.

As would be expected, the surveys showed a significant price differential between Perth and all of the town shops and community stores in the Kimberley region. In general, the average prices of the market basket in the east Kimberley region, were 83 per cent higher than in Perth, an average difference of $210.79 per fortnight. In the west Kimberley region, prices were 65 per cent higher, a difference of $163.63 per fortnight. In comparison, prices in the town stores in the Pilbara region were 28 per cent higher than Perth, and in the community stores prices were 61 per cent higher than the prices in Perth.

For a family of five in the east Kimberley region, based on average expenditure of $463.59 per fortnight for a family of five, total expenditure on a range of basic goods for a year would amount to more than $12,000. The figure for the west Kimberley region would be about $10,800. When this data is compared with the individual and household income data in Tables 7 and 8, it is not difficult to understand why many families in the region are experiencing severe financial difficulties, particularly when the costs of rent, electricity, water and transport are added to the costs of the market basket of goods.
Aboriginal people in the economy of the Kimberley region

Table 10 Market basket price survey, Kimberley region, September 1990 and September 1992

<table>
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<th>Location</th>
<th>1990</th>
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<td>n.a.</td>
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</tr>
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<td>483.18</td>
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<td>394.01</td>
<td>479.46</td>
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<td>Balgo</td>
<td>436.02</td>
<td>479.05</td>
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<td>Billiluna</td>
<td>404.77</td>
<td>464.02</td>
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<tr>
<td>Mowanjum</td>
<td>357.89</td>
<td>445.61</td>
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<tr>
<td>Kalumburu</td>
<td>410.96</td>
<td>442.43</td>
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<td>361.64</td>
<td>427.99</td>
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<td>Lombadina</td>
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<td>423.91</td>
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<td>Warmun</td>
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<td>Yungngora</td>
<td>404.13</td>
<td>420.66</td>
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<td>One Arm Point</td>
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<td>410.82</td>
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<tr>
<td>Mt Elizabeth</td>
<td>n.a.</td>
<td>410.39</td>
<td></td>
</tr>
<tr>
<td>Fitzroy Crossing</td>
<td>371.25</td>
<td>408.11</td>
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<tr>
<td>Ngalingkadji</td>
<td>n.a.</td>
<td>391.58</td>
<td></td>
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<tr>
<td>Cherrabun</td>
<td>n.a.</td>
<td>378.30</td>
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<td>Junjuwa</td>
<td>n.a.</td>
<td>377.50</td>
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<td>Muludja</td>
<td>285.71</td>
<td>376.41</td>
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<td>Wangkatjungka</td>
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<td>Bayulu</td>
<td>362.14</td>
<td>361.61</td>
<td></td>
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<td>La Grange/Bidyadanga</td>
<td>359.21</td>
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<td></td>
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<tr>
<td>Wyndham</td>
<td>322.87</td>
<td>333.43</td>
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</tr>
<tr>
<td>Derby</td>
<td>304.42</td>
<td>324.44</td>
<td></td>
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<tr>
<td>Broome</td>
<td>321.81</td>
<td>311.50</td>
<td></td>
</tr>
<tr>
<td>Kununurra</td>
<td>293.91</td>
<td>n.a.</td>
<td></td>
</tr>
<tr>
<td>Perth</td>
<td>266.27</td>
<td>252.80</td>
<td></td>
</tr>
</tbody>
</table>

Source: Health Department of Western Australia (personal correspondence, 13 August 1993)

Summary

The resident Aboriginal population of the Kimberley region at the 1991 Census was estimated to be 10,286 people, which was 45 per cent of the total resident regional population. However, there are some limitations with this data, and from estimates compiled by Australian Construction Services for ATSIC it is possible that Aboriginal people may account for an even higher proportion of the region's population.

Only 24 per cent of the Aboriginal people surveyed for the Census were classified as employed, whereas 50 per cent of non-Aboriginal people were
employed. Almost one-third of the Aboriginal people surveyed were not in the labour force or their employment status was not stated.

In terms of formal employment, of the total number of Aboriginal people employed 57 per cent were employed in community service organisations, public administration and defence. More than 59 per cent of the employees in community services and public administration and defence were Aboriginal people.

In industries where private ownership is important, including financial, agriculture, mining, manufacturing, business services and wholesale and retail trade, non-Aboriginal people occupied 91 per cent of the jobs.

While 13 per cent of non-Aboriginal employees in the region were classified as managers and administrators, 35 per cent of Aboriginal employees were classified as labourers.

There are many deficiencies in the infrastructure in Aboriginal communities in the Kimberley region. The region accounted for about 57 per cent of the expenditure that was required for housing construction and repairs in non-urban Aboriginal communities in Western Australia, and 10 per cent of the national figure.

The total estimated cost of constructing and repairing housing and for upgrading roads in Aboriginal communities in the Kimberley region was $201 million.

According to the 1991 Census data, about 40 per cent of the dwellings in which Aboriginal people were living in the Kimberley region were some form of improvised housing, and about 47 per cent were separate houses, flats or townhouses. Almost half of the Aboriginal people for which information was collected were living in some form of improvised housing (4,999 people), whereas only 38 per cent of the Aboriginal population were living in separate houses (3,846 people).

Based on a variety of socio-economic data, ATSIC estimated that of the 11 most disadvantaged regional councils in Australia, 4 were in the Kimberley region.

48 per cent of Aboriginal people in the Kimberley region received incomes in the range $0–8,000, compared with only 20 per cent of the non-Aboriginal population. Over 80 per cent of Aboriginal people received incomes in the range $0–20,000, compared with 42 per cent of the non-Aboriginal population.

The cost of living in the Kimberley region is very high. Surveys undertaken by the Health Department of Western Australia indicate that the cost of purchasing a ‘market basket’ of goods in the west Kimberley region cost 65 per cent more than in Perth, a difference of $163.63 per fortnight for a family of five. In the east Kimberley region the market basket cost 83 per cent more than in Perth, a difference of $210.79 per fortnight.
CHAPTER 3

THE INDUSTRIAL STRUCTURE OF THE KIMBERLEY REGION

Introduction

The discussion in this chapter is not intended to provide a comprehensive overview of each of these industry sectors. There are many other sources of information from government departments and agencies, industry associations and other researchers which provide a wide range of financial, economic and other data. However, one important point to arise from the discussion is the extent to which governments have been prepared to spend money in the region promoting the development of certain types of activity. For example, the Western Australian Government allocated $831,000 for the Kimberley Development Commission in 1993–94. The main functions of the Commission are to assist the development of the tourism, pastoral, agricultural and aquaculture industries of the region, as well as the provision of business support (Western Australia, Budget Paper No 3 1993–94, vol 1, 133). The Department of Agriculture spent $34.8 million on 'sustainable agricultural systems' in 1992–93, and almost $5 million on the pastoral lands. Estimates of the Department's expenditure in the Kimberley region were not obtained during this research project, although it has been claimed that 15 per cent of the Department's regional operations budget was to have been spent in the Kimberley region in 1992–93. This was despite the fact that only 1.5 per cent of the value of the State's agricultural production came from properties in the region (Parliamentary Debates, Legislative Assembly, 15 September 1992, 4672).

Very rarely is this type of spending subject to the same degree of scrutiny as that imposed on Aboriginal people and Aboriginal organisations. If Aboriginal people are highly scrutinised, and criticised, for their use of 'taxpayers dollars', then there is no reason why non-Aboriginal people, businesses and economic activities which are in receipt of government funding or other government support should not be subject to at least the same degree of scrutiny. It is also an important issue whether Aboriginal-owned businesses receive appropriate financial and other support from some of these mainstream government departments and agencies.

The information in this chapter is also designed to complement the information in Chapters 9 and 11. These chapters provide details of ATSIC's spending, and the income and expenditure of the Aboriginal organisations in the Kimberley region. The data in the present chapter on the value of production of the major industries, and the economic activity generated by these activities, can be compared with the economic
activity and employment generated by the Aboriginal organisation sector of the region. Although there are some discrepancies in the data, and other qualifications need to be taken into account, the comparison of the data in the three chapters does provide some broad estimates of the contributions Aboriginal people make to the regional economy.

All of the data included in this chapter, and elsewhere in the book, is based on measured economic activity. That is, economic activity that is included in official statistics and financial statements. The informal economy is also important, for both Aboriginal and non-Aboriginal people, but is largely unmeasured. There is no doubt that a considerable amount of informal economic activity takes place in Aboriginal communities, such as fishing, hunting and ceremonial exchanges. This activity is often crucial to the livelihood and cultural survival of many Aboriginal people. Many Aboriginal people are involved in arts and crafts production, but the official statistics do not readily provide details of this type of activity (Review Committee of the Aboriginal Arts and Crafts Industry 1989). By not including any discussion of this activity in this book, the intention is not to under estimate its potential importance.

The gross regional product of the Kimberley region

In its submission to the Industry Commission Inquiry into Impediments to Regional Industry Adjustment, the Western Australian Government provided estimates of economic activity in each of the major regions of the State. The measure of regional economic activity was Gross Domestic Product (GDP) at factor cost. This measure incorporates data such as wages, salaries and supplements; the gross value of agricultural, fisheries and mining production; the value of building approvals; and selected tourism indicators. The estimates do not include ownership of dwellings and general government. In the Kimberley region in 1990–91 three industries accounted for almost two-thirds of the gross regional product: mining; public administration, defence and community services; and construction. These three industries accounted for only 41 per cent of the State’s GDP.

The relatively small size of the economy of the Kimberley region can be seen in the comparison with the Gross Domestic Product of the rest of the State. The Kimberley region accounted for only 1.8 per cent of the State’s GDP in 1990–91. Even though the contribution of the mining industry to the Kimberley region’s GDP was substantial, the industry still only represented less than 4 per cent of the GDP of the mining industry of the State. The industry structure of the Kimberley region is clearly quite different from the rest of Western Australia. The relative contribution of wholesale and retail trade, manufacturing, and finance and business services to the region’s GDP is considerably less than for the State as a whole.
Table 11 Gross Domestic Product at factor cost, Kimberley region and Western Australia, 1990–91

<table>
<thead>
<tr>
<th></th>
<th>Kimberley region</th>
<th>Other Western Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gross Domestic</td>
<td>Per cent</td>
</tr>
<tr>
<td></td>
<td>Product ($ million)</td>
<td></td>
</tr>
<tr>
<td>Mining</td>
<td>189</td>
<td>34.8</td>
</tr>
<tr>
<td>Public administration, defence and community services</td>
<td>88</td>
<td>16.2</td>
</tr>
<tr>
<td>Construction</td>
<td>63</td>
<td>11.6</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>38</td>
<td>7.0</td>
</tr>
<tr>
<td>Transport and communications</td>
<td>41</td>
<td>7.6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>34</td>
<td>6.3</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>28</td>
<td>5.2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>20</td>
<td>3.7</td>
</tr>
<tr>
<td>Finance and business services</td>
<td>22</td>
<td>4.1</td>
</tr>
<tr>
<td>Recreation, accommodation and personal services</td>
<td>20</td>
<td>3.7</td>
</tr>
<tr>
<td>TOTAL</td>
<td>542</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Western Australian Government 1993c

These figures do not indicate the extent to which the local region actually benefits from the economic activity of the industries. For example, although the figure for the mining industry is high relative to the other industries, local businesses and people living in the Kimberley region are not the main beneficiaries of the economic value produced by the mines. The extent and form of the regional benefits are determined by a range of factors, such as the ownership of the mines, the type of financing of the projects and where the workers live.

The mining industry in the Kimberley region

The mining industry, or more particularly, one large mining project, is a significant component of the measured economic activity of the Kimberley region. The main mines in the region are the Argyle and Bow River diamond mines in the east Kimberley region near Kununurra, and the Cadjebut lead and zinc mine near Fitzroy Crossing. Clearly it is important to include some discussion of the mining industry, since this industry dominates so much of public debate in Western Australia. Indeed, the Court Government’s response to the High Court’s Mabo decision has almost exclusively revolved around the potential impact of the decision on the mining industry in Western Australia.
The industrial structure of the Kimberley region

The Argyle diamond mine accounts for the bulk of the value of mining production in the region. However, the industry is not the largest employer of workers in the region, with only about 6.3 per cent of employees being classified in the mining industry according to the Census data. Indeed, if the data for the Argyle diamond mine are excluded from some of the calculations, the importance of the mining industry to the regional economy falls very substantially. In doing so, the intention would not be to neglect the importance of the output of the Argyle mine. However, because it is so large relative to most of the other economic activity in the region, one project tends to distort some of the important underlying features of the regional economy.

Much of the Kimberley region is already covered by exploration licences and mining leases. In June 1992 there were 74 prospecting licences, 280 exploration licences, and 358 mining leases and others, in force in the Kimberley region (Department of Mines 1992, 125). An article in the The Australian Financial Review (20 May 1993), using the exaggerated style of reporting that has become so typical of the public debate about the High Court’s decision, claimed:

Directors of mining and exploration companies may have to face write-offs of millions of dollars of exploration expenditure following last year’s High Court decision in the Mabo case. Mining industry advisers say companies with tenements in the Kimberley region will be hardest hit ...

The overwhelming majority of these mining and exploration interests were granted by the Department of Mines (now the Department of Resources Development) with minimal consultation with Aboriginal people living in the Kimberley region. The Aboriginal Affairs Planning Authority (AAPA), because of its administrative responsibility for the Aboriginal Lands Trust, would have been consulted in relation to some of the mining and exploration interests granted. In other areas, where Aboriginal people have a lesser interest in the land, such as a pastoral lease, or no formal land tenure, the relationship between Aboriginal people and the mining industry has at times been difficult. The increasing interest in northern areas of the State for mineral exploration, and the degree of contact between mining companies and Aboriginal interests, is reflected in the changing workload of the Western Australian Museum, and the difficulties of administering the contentious Aboriginal Heritage Act (Western Australian Museum 1992, 82).

The situation that has prevailed for more than a century would appear to be the Department of Mine’s preferred option for the future, and was part of the reason for its opposition in early 1993 to the granting of any further 99 year leases to Aboriginal groups. Until the High Court’s Mabo decision in June 1992, and probably even as late as June 1993, it could hardly be said that the mining industry had been constrained in exploring and developing commercially viable mines in most areas of Western Australia, including the Kimberley region. The main constraints on the mining industry have been, and are still today, the state of domestic and international markets for minerals (including prices and inventory levels), and the costs of developing new mines in remote areas. This can be clearly seen in the Department of Mines’ review of the mining and petroleum industry in 1991–92 (Department of Mines 1992, 18–41).
As far as most of the mining industry has been concerned, Aboriginal people have in many parts of Western Australia been an annoying irritant. If Aboriginal people have in any way been successful in delaying exploration and mining activity, then the full force of the State has usually been used to great effect. As governments of all political persuasions have demonstrated in Western Australia, ‘development’ must proceed. In the past two decades Western Australia has been the focus of national attention about mining projects and Aboriginal rights, from the Noonkanbah dispute in the late 1970s (Hawke & Gallagher 1989) to the debate about the Marandoo iron ore project in the Pilbara region in 1992. As the Deputy Commissioner of the Aboriginal Affairs Planning Authority explained in relation to the latter project:

In an orchestrated plan to totally discredit the Karijini [people], Hamersley Iron went on a public assassination strategy to raise allegations of delaying tactics and also discredit the Government’s processes under the Aboriginal Heritage Act ... pro-development bureaucrats joined the company line and pursued the ‘big project’ macho image and wanted to impose inappropriate time lines and to force Government to introduce new procedures to override Aboriginal priorities with the Aboriginal Heritage Act in their support of the project (Wyatt 1993, 142).

The development of the Argyle Diamond Mines Pty Ltd diamond mine was also not free of controversy. Most of the contentious issues associated with the development of this mine are beyond the scope of this book, and have already been comprehensively examined by Dillon and Dixon (1990), some of the researchers for the East Kimberley Impact Assessment Project, and by Coombs et al (1989).

The Argyle mine employed 887 workers at 30 June 1992, and the Poseidon Ltd Bow River mine had 106 employees. BHP Minerals Ltd employed 140 workers at its Cadjeput mine. BHP operated an iron ore mine on Koolan Island in Yampi Sound, which employed 269 workers at 30 June 1992. This mine has subsequently been closed. The value of production of the two Kimberley region diamond mines in 1991–92 was $564.7 million and $520 million in 1992–93, about 4.5 per cent of the total value of production of the Western Australian mining industry. However, the Bow River mine is likely to cease production in 1994. Royalties paid to the Western Australian Government by the diamond producers were approximately $31 million, 11 per cent of mineral royalties paid by the mining industry to the State Government in 1991–92 ($41 million in 1992–93, 10 per cent of total royalties) (Department of Mines 1992; Department of Minerals & Energy 1993). Separate statistics for the Cadjeput mine are not available, although the value of production of the mine was estimated to be at $51 million in 1990–91 (Harris 1992b). Low prices in late 1993 have also threatened the viability of this mine.

One of the key issues is the extent to which the economic benefits generated by these mines remain in the Kimberley region, and the extent to which the benefits flow to interests elsewhere in Western Australia, other parts of Australia or overseas. Although substantial employment is generated by the mines, according to the Chamber of Mines and Energy of Western Australia, approximately 87 per cent of the employees of the Argyle diamond mine commute from Perth on a 14 day on, 14 day
off working cycle. The remaining employees live in Kununurra or the other towns in the region. At the time of the Chamber’s survey, 40 Aboriginal people were involved in the company’s ‘training and development system’. The workforce includes Aboriginal people living in Warmun (Turkey Creek) and the surrounding area. About three-quarters of the employees of the Cadgebaut mine commute on a 1 week on, 1 week off basis from regional towns, and about one-quarter of the workforce commute from Perth (Chamber of Mines and Energy of Western Australia 1991). Of course fly-in fly-out employment arrangements generally have a less disruptive social impact on the local community.

Some employment has been generated by the mining industry in the region for Aboriginal people. According to the 1991 Census (Table 3), total employment in the mining industry in the Kimberley region was 770, but only 32 of these people identified themselves as Aboriginal people. There is likely to be a limited number of other Aboriginal people working for organisations providing services to the mining companies. These figures hardly suggest that the mining industry has been of major benefit to Aboriginal people in terms of employment, despite the good intentions and efforts of the mining companies and governments to assist Aboriginal people with employment.

Apart from some limited employment opportunities, some financial benefits have been provided to Aboriginal people living in the vicinity of the diamond mines. Given the value of production of these mines, the payments are almost inconsequential. The payments are certainly small compared with the negotiated payments being received by some Aboriginal land owners in the Northern Territory. Some payments under the ‘Good Neighbour Policy’ of the Argyle diamond mine are recorded in the financial statements of Warmun Community (Turkey Creek) Inc and Woolah Aboriginal Corporation ($390,050 in the two year period 1990–92). The accounts of Poseidon Bow River Diamond Mine Ltd record ‘Aboriginal Payments’ of $180,000 in the period 1989–92, although it is not clear to whom, or to which organisation, these payments were made.

Some issues in the difficult relationship between the mining industry and Aboriginal people were discussed by Commissioner Dodson in a chapter entitled, ‘The impact of mining: “all we get is the dust” ’. The points made by Commissioner Dodson will not be repeated here, but two important issues should receive some consideration. One related to figures about the value of production of the mining industry. The industry, particularly through its representative organisations such as the Australian Mining Industry Council and the Chamber of Mines and Energy, continually quote figures about the value of the industry’s output and its contribution to the national economy. As Commissioner Dodson argued, however:

Such a contribution is indeed fundamental to the health of the national economy, but what this argument fails to acknowledge is that it is not the production of wealth, but its distribution which determines the extent to which a nation’s citizens benefit from the production of wealth inside its national borders (Dodson 1991, 670).
Aboriginal people in the economy of the Kimberley region

The mining industry uses figures for the value of production and exports to explicitly link the interests of the mining industry with the national interest, in such a way that the two become almost indistinguishable. Certainly the recent speeches by Premier Court of Western Australia give the clear impression that the interests of the mining industry and most of the population of Western Australia are identical. But as Commissioner Dodson pointed out:

What the industry lobby’s arguments systematically refuse to acknowledge is that it may also be in the national interest to address the outstanding claims of Aboriginal people resulting from the compulsory acquisition of all their property as a result of colonial conquest and occupation (Dodson 1991, 670).

Very few people would argue that the mining industry is not important to the economy of Western Australia and Australia as a whole. The Western Australian Department of Mines (now Department of Minerals and Energy) has certainly not been backward in defending the interests of the mining industry. The favourable actions of Western Australian governments towards the mining industry, particularly towards the State’s large gold mining industry which is not subject to State royalties, demonstrate the economic and financial clout of this industry in the State.

The net economic importance of the mining industry may be overstated. While some sections of the industry are quick to talk about the value of production from mining, or export revenue, they are usually very hesitant to talk about the economic costs of the industry’s activities. Leaving aside the environmental costs and the depletion of the asset base of the country, which are of course not unimportant issues, as Nugget Coombs has argued, the mining industry rarely mentions the foreign exchange and other financial costs of its activities (Kimberley Land Council & Waringarri Resource Centre 1991, 44). Considerable but unquantified amounts of foreign exchange are necessary to purchase supplies of capital goods, technology rights, payments for professional and commercial services to offshore entities, debt servicing and payments to foreign shareholders. These costs are never disclosed by the industry, and very few researchers have been able to obtain sufficient data to evaluate the overall position. Even with access to such data, ACIL consultants largely avoided this issue in their report on the economic contribution of the Ranger uranium mine in Kakadu National Park (ACIL Economics and Policy Pty Ltd 1993). This situation is not unique to the mining industry, but it is important that the situation be clarified in relation to the mining industry because of the increasingly contentious nature of land use for mining and exploration activity in many parts of Australia. If governments, and the community as a whole, are to make rational assessments about proposed developments, then the potential net economic benefits need to be estimated. At the moment, critics of any development are usually silenced by the argument that the project will generate hundreds of millions of dollars in exports and numerous jobs. Whether the project produces a net foreign exchange benefit is rarely, if ever, discussed.

At a regional level, the benefits from some of these large projects are often even less obvious. The State Government collects royalties, which are in an indirect way
The industrial structure of the Kimberley region

partially returned by way of government services. There are some regional benefits in terms of employment that do accrue to the Kimberley region. But the nature of the mining activities, particularly the use of fly-in fly-out employment arrangements, limits the regional economic impact of the mining projects in the Kimberley region. The mines are owned by interests outside of the region, and in some cases, outside of Australia. In a discussion paper prepared by the former Department of State Development, the limited regional impact of long distance commuting, or fly-in fly-out arrangements, was noted:

It must be recognised that LDC [long distance commuting] provides advantages which enable economic development of more marginal operations than would be possible if permanent social infrastructure had to be provided by the developers. As a consequence, economic benefits and employment opportunities accrue to the State as a whole ... if adopted on a large scale LDC has the potential to reduce regional areas capacity to generate further wealth through multiplier effects that occur with increased population (Department of State Development 1992a, 35).

The Centre for Applied Economic Research and Analysis at James Cook University, in its review of the prospects for economic activity in the Kimberley region, was pessimistic:

Overall then the potential for the development of the mining sector in the Kimberley is not favourable, with expansion in the diamond industry constrained by access problems and difficult international conditions, iron ore reserves facing depletion, and zinc/lead operations tending to be stable rather than expanding. Moreover, the existing structure of the mining sector, which is based on fly-in/fly-out arrangements, means that this kind of economic activity contributes little to the growth of the region itself, with virtually all of the benefits arising from mining accruing in other regions. The exception to this pattern is the stimulus to population growth in Broome from the Cadjebut zinc/lead mine (Harris 1992b, 86).

The limited regional economic impact was also acknowledged in the Kimberley Region Plan Study Report:

Many Kimberley jobs in the mining industry are being filled by persons living outside the Region ... The small but fast growing economic base of the Kimberley Region and the remoteness of commercial reserves of minerals or petroleum inhibits a greater contribution being made by the mining industry to the local economy (Department of Regional Development and the North West 1990, 62).

Horticulture and agriculture

According to the 1991 Census, total employment in the agriculture, hunting, forestry and fishing industry in the Kimberley region was 1,220, approximately 10 per cent of the total formal labour force of the region. About 87 per cent of those employed in this industry were non-Aboriginal people, with total Aboriginal employment estimated to be 164. These figures include the pastoral industry. For an industry that
occupies more than half the total land area of the Kimberley region, employment in
the pastoral industry is relatively small. The total value of agricultural commodities
produced in the Kimberley region in the season 1990–91 was $52.9 million. However,
if the value of livestock slaughters and disposals are excluded, the value of other
agricultural commodities was only $14.2 million (Australian Bureau of Statistics
1992b). Most of the non-pastoral agricultural production is from the farms in the Ord
River irrigation project area near Kununurra.

When the Ord River irrigation project was being planned and implemented in the
early 1960s, many people, and the State and Commonwealth governments of the day
believed that at last large scale development would occur in northern Australia. Vast
agricultural schemes producing a wide variety of products which would stimulate
significant population growth were envisaged for the region around the present town
of Kununurra. The reality has turned out to be somewhat different, although this has
not prevented some people, including the present Premier, Mr Court, of talking-up the
agricultural potential of the east Kimberley region. Numerous government reports
have examined the agricultural potential of the region. For example, the former
Minister for Agriculture, and present member for the Kimberley, Mr Bridge,
commissioned The Ord Study, which was completed in September 1990. One of the
main problems of the region identified by the chairperson of the committee which
prepared the report was that:

... no one person, or one Government Department is responsible for the area and
its progress, and no one person or Department has the required information or
answers to questions that prospective investors or even local industry people
urgently need (Bradley et al 1990).

In a comment that could have been written thirty years ago, the chairperson stated in
the letter accompanying the presentation of the report to the Minister:

I am of the firm opinion that future large scale development will be undertaken by
the private sector and that Government should do everything it can to facilitate
this development ... The one unchanging aspect, which is the Ord's greatest
strength, is the firm knowledge that the Ord Project has excellent soils, a
predictable climate, huge areas of undeveloped irrigable land, the closest reliable
Australian port to South East Asia and all the water farmers could ever need
(Bradley et al 1990).

The Ord Development Council was subsequently formed, and was one of the sponsors
of a conference ‘50 Years of Ord Irrigation: Review and Future Perspectives’ in
Kununurra in November 1991. Speculation on possible uses of the water and the large
areas of unused irrigated land dominated the discussion, including the production of
sugar, kenaf, cashews, cotton and a variety of other horticultural products. Some of
these crops are being grown in limited areas of the region, but as one of the speakers
commented: ‘The “big one”, to exploit the full potential of the area, which has eluded
the Ord for 30 years, remains an enigma’ (Ord Development Council 1991).
Even the Australian Science and Technology Council seems to be looking for the ‘big one’, and has exaggerated the potential of the Ord River region (1993, 67–72). According to ASTEC, sugar will be the next export crop, since it is well adapted and ‘water is plentiful’. There is certainly one thing that is plentiful in the Ord River valley and that is water.

However, a report which critically examined the prospects for the region, and the economics of the Ord River scheme, was commissioned by the Water Authority of Western Australia. The report noted that the potential area for irrigated agriculture was 75,000 hectares, but only 11,500 hectares of the initial serviced area of 13,000 hectares has been utilised. The value of the assets, in terms of replacement value, of the scheme was estimated to be $175.7 million (Sinclair Knight 1992, 3). Clearly the Ord River scheme is a major public asset, but it is an asset that in many respects is still looking for a use.

The Sinclair Knight report provided a comparison of the ongoing expenditure of the Water Authority on the Ord River irrigation scheme with its spending on the provision of water and sewerage services to remote Aboriginal communities. The report noted that in 1990–91 expenditure by WAWA in the east Kimberley region was $6.66 million. Of this, $2.23 million was on Aboriginal communities, but this was classified as ‘reimbursable’ expenditure. If the funding for the services provided to Aboriginal communities were terminated by ATSIC, the effects on the levels of staffing in WAWA in Kununurra would be quite serious (Sinclair Knight 1992, 54). The direct expenditure by WAWA on the irrigation scheme was $2.33 million, with a further $817,000 for overheads. Not only does WAWA’s expenditure on the irrigation scheme exceed its expenditure on the provision of water and sewerage services to Aboriginal communities, but the expenditure on these communities is actually funded by ATSIC and not from WAWA’s own resources. Sinclair Knight also compared the operating costs with revenue from water charges, and noted that:

At no stage in the past has available revenue met the projected annual costs of operation. For the 15 year period 65/66 to 79/80, there were no increases in the rate (Sinclair Knight 1992, 25).

Total WAWA revenue from the irrigation project in 1990–91 was $604,848. However 27 per cent of this revenue was from special agreements with the Argyle and Bow River diamond mines. When this revenue is excluded, the report concluded that cost recovery had been a minuscule 2 per cent, with total cost recovery of only 15 per cent if the revenue from the diamond mines was included (Sinclair Knight 1992, 27). The report noted that this subsidy has been met by other water users and by the community generally. For the future, the consulting engineers suggested that water pricing should accept that the previous investment is ‘sunk capital’, for which little investment return is likely. Despite all of the evidence to the contrary, however, the draft report from the Australian Science and Technology Council on Research and Technology in Tropical Australia stated that there are ‘no subsidies to farmers in the Ord Valley’ (1993, 69). However, the Industry Commission cited evidence that the scheme might break even in the year 2010 (Industry Commission 1993, vol 1, 174).
Despite the publicly-funded subsidies and expenditure on the Ord River scheme, there have been suggestions that another large scale dam building program should be commenced in the Fitzroy Valley region. How should such a proposal be assessed? There is already a major irrigation project at Camballin near Fitzroy Crossing, which has proved to be non-viable. A grain warehouse on the wharf at Broome was built as part of this project, but it has never been used to store grain. The *Kimberley Region Plan Study Report* in 1990 had recommended that ‘the philosophy of large, coordinated agricultural projects should be avoided’ (Department of Regional Development and the North West 1990, 75). But even though 80 per cent of the capacity of the Ord River scheme has not been utilised, *The West Australian* (6 March 1993), in an article headed ‘Dam plan to tame wild NW rivers’, reported that:

Two or three new dams could be built to tame the southern Kimberley’s wildest rivers to open up vast new areas to agriculture, Premier Richard Court said yesterday … He said the dams could protect and irrigate big new crops such as cotton and sugar … The dams on the Margaret and Fitzroy rivers would be relatively easy to build and would cost about $130 million and $200 million, Mr Court said.

The Premier did give himself a way out of this proposal by stating that the new scheme would not begin until the Ord scheme was operating at its full potential. Unless the ‘big one’ comes along soon, the prospects of the Ord scheme operating at its full potential this century are very remote. However, a detailed ‘conceptual study’ of the prospects for a major irrigation scheme in the Fitzroy Valley was prepared for the Kimberley Water Resources Development Office. The report suggested that cotton was a potentially viable crop, but that major infrastructure investment would be required before the problems associated with flooding could be overcome (ACIL Economics and Policy Pty Ltd *et al* 1993). Although the report is only a preliminary examination of the proposed project, even at this early stage it is clear that the commercial, engineering and technical issues are tending to dominate the project evaluation process. One of the chapters of the report addressed in a very preliminary manner the potential social impacts of such a large scale project. However, no cooperation was received from the main Aboriginal resource agency in the Fitzroy Valley, Marra Worra Worra Aboriginal Corporation, or the Kimberley Land Council, because a social impact assessment process had not been established. These organisations argued that the establishment of such a process needed ‘urgent attention’ (ACIL Economics and Policy Pty Ltd *et al*, vol 1, 1993, 13-2, 13-23). Aboriginal people comprise a large proportion of the Fitzroy Valley population, and many of these people live on Aboriginal-owned pastoral leases likely to be affected by the project. The cursory examination of the impact of such projects on the local Aboriginal population is not surprising, given the history of large scale development in northern Australia. Were the project to proceed, which appears unlikely at this stage, the minimal control by Aboriginal people over development on the pastoral leases and in the region generally will become even more apparent.
The pastoral industry

The pastoral industry in northern Australia has benefited from considerable expenditure by both State and Commonwealth governments, particularly for roads and ports, and other support from various government departments and agencies. Although government support for the industry has declined and the economic base of the industry has been eroded by the Brucellosis and Tuberculosis Eradication Campaign (BTEC), the industry still dominates land use in many areas of northern Australia. The importance of the pastoral industry to non-Aboriginal conceptions of development in remote areas such as the Kimberley region can be seen from the following quote from a working paper prepared for the Kimberley Region Planning Study:

Since European settlement the pastoral industry has been the backbone of the Kimberley economy. In addition, the industry and the men and women associated with it have been essential ingredients of the myth or conception that Western Australian residents have of their State and themselves (State Planning Commission 1987, 1).

The pastoral industry is certainly important to the Kimberley region in terms of land use. Pastoral leases cover about 52 per cent of this area. Aboriginal-owned pastoral leases account for about 10 per cent of the land area of the Kimberley region, and non-Aboriginal owned pastoral leases account for 41.7 per cent. The national parks, conservation reserves, and vacant crown land are included in the ‘Other land’ figure.

Table 12 Patterns of land usage in the Kimberley region, 1992

<table>
<thead>
<tr>
<th>Category</th>
<th>Hectares</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Aboriginal pastoral leases</td>
<td>17,562,720</td>
<td>41.7</td>
</tr>
<tr>
<td>Aboriginal pastoral leases</td>
<td>4,274,209</td>
<td>10.1</td>
</tr>
<tr>
<td>Other Aboriginal land</td>
<td>4,791,201</td>
<td>11.4</td>
</tr>
<tr>
<td>Other land</td>
<td>15,484,870</td>
<td>36.8</td>
</tr>
<tr>
<td>Total Kimberley</td>
<td>42,113,000</td>
<td>100.0</td>
</tr>
</tbody>
</table>


The gross value of livestock slaughterings and disposals in 1990–91 was $38.4 million from a herd of 573,000 cattle. About 35 per cent of the total cattle herd of Western Australia was in the Kimberley region (Australian Bureau of Statistics 1992a, 1992b). There have been some recent encouraging signs in regard to the export of live cattle from the region, particularly following the purchase of an interest in Carlton Hill station in the east Kimberley region by Mr Kerry Packer (*Australian Financial Review*, 15 February 1993). But most of the leases in the region are
relatively poorly developed compared with similar types of properties in the Northern Territory and Queensland (Harris 1992b, 45). A similar point was made by the Legislative Assembly Select Committee into Land Conservation in its discussion paper on the Pastoral Region of Western Australia:

Considerable capital is required to develop leases to the extent needed to provide improved control of cattle and adoption of improved animal husbandry techniques to increase per head productivity. In addition, transport and processing costs are high, while the quality and hence the value of the cattle produced is low. A problem further tending to reduce the profit margins of Kimberley pastoral enterprises is the high prices paid for leases which partly reflects the extent of corporate ownership of leases; the presence of speculators in the cattle industry and generally the unrealistic expectations of new pastoralists to develop Kimberley stations while underestimating the financial requirements to do so. Kimberley leases are expensive to purchase, develop and operate (Legislative Assembly Select Committee into Land Conservation 1991, 78).

In its submission the Shire of Derby–West Kimberley commented that although the local economy is dependent on a healthy cattle industry:

The turning point for the industry will arrive when station ownership stops at being a game of monopoly, and they decide they are in the game to produce beef (quoted in Legislative Assembly Select Committee into Land Conservation 1991, 282).

The Select Committee quoted statistics which demonstrated that the Kimberley pastoral industry is based on relatively small areas of high quality land (7.6 per cent), with most of the usable land (57 per cent) either of medium or low carrying capacity. Large areas (35 per cent) are ‘virtually useless or of very low potential’. The Kimberley Pastoral Industry Inquiry in 1985 prepared assessments of the viability of the leases. These estimates suggested that while only 1 of the 17 leases in the north Kimberley region was non-viable, 24 of the 86 leases in the west and east Kimberley regions were non-viable (Kimberley Pastoral Industry Inquiry 1985, 69–111). By 1990 the Select Committee estimated that 48 per cent of the Kimberley leases were not producing sufficient cash flow to maintain an owner-operator pastoral enterprise (Legislative Assembly Select Committee into Land Conservation 1991, 81).

The Select Committee also commented on the very low levels of pastoral lease rentals. Total lease rentals in 1990–91 from the 582 pastoral leases which cover approximately 38 per cent of Western Australia were $496,000. The pastoral leases in the Kimberley region in the same year paid $277,573 in rentals to the Pastoral Board, 58 per cent of the total rentals for the State. When rates levied by the shire councils were added to the lease rentals, the total payments by the pastoral lessees in the Kimberley region in 1990–91 were $628,087. The present rentals for the pastoral leases in the Kimberley region are $281,810. The Pastoral Board did note that the calculations of the rents for the leasing of land for pastoral purposes were different from those for the leasing of other crown land. The rentals on other crown land have generally been calculated on the value of the land. In its most recent Report on the
Reappraisal of Pastoral Leases, the Board noted the proposals of the then government for changes in the basis of rentals, but recommended that the existing rentals remain unchanged (Pastoral Board 1991).

According to the Select Committee, the pastoral lease rentals do not cover the Western Australian Government’s costs of administering the management of pastoral leases, and represented only 2 per cent of the estimated annual expenditure by the pastoral enterprises (Legislative Assembly Select Committee into Land Conservation 1991, 98–100). This situation, where the lease rentals do not cover the costs of administration, is similar to the administration of pastoral leases in the Northern Territory and New South Wales. According to the Western Australian Farmers’ Federation, in a submission to the Committee, the low rentals promote land conservation by reducing the financial burdens on the pastoral enterprises. More likely the effect is to maintain some areas of land in pastoral production that might be more effectively be utilised for other purposes.

The names and the areas of the 21 Aboriginal-owned pastoral leases are shown in Appendix 4. A considerable number of these leases are in the Fitzroy Valley region, and three were purchased as a result of the so-called EXIM restructuring. Approximately 32 per cent of the pastoral land in this region, which is part of the West Kimberley Land Conservation District, has high pastoral potential, and the total herd in the region was estimated to be approximately 140,000 cattle (Department of Agriculture 1992). Of the Aboriginal-owned pastoral leases only Leopold Downs, north of Fitzroy Crossing, is regarded as a viable cattle enterprise. Two of the leases, Mowanjum and Pantijan, are not operative as cattle enterprises. There are also a number of other cattle enterprises which are not separate pastoral leases, taking the total number of enterprises to 25. According to Green and Hawke (1993, 15), while the direct funding of Aboriginal communities and organisations contributes significantly to the regional economy, ‘the pastoral industry is the most significant level at which the Aboriginal people of the Kimberley participate in the wider economy of the region’.

The restructuring of the pastoral leases in the Fitzroy Valley region commenced in 1987 when the Western Australian Development Corporation subsidiary EXIM Corporation acquired two large conglomerate lease holdings, the Emanuel leases and the Australian Land and Cattle company leases. The intention of the purchases by EXIM was to restructure the leases in order to improve their viability. This was to have been carried out by subdividing the more manageable and economically viable owner-operator pastoral units and providing additional infrastructure. All nine leases had been sold by 1990. Louisa Downs, Bohemia Downs and Mt Pierre were purchased by Aboriginal interests. The effect of the restructuring, according to the Select Committee, was:

... to maintain or improve the already highly viable position of two leases which could have been viably subdivided; while reducing the viability of four of the pre-existing leases by subdivision to create eight leases in total ... those restructured
leases which were sold with cattle as going concerns were significantly overstocked by EXIM ... (Legislative Assembly Select Committee into Land Conservation 1991, 88).

The financial statements of 11 Aboriginal-owned pastoral enterprises and Aboriginal organisations which operate pastoral enterprises, were obtained for this research. The income and expenditure figures for these enterprises and organisations are included in the aggregate information in Chapter 11. It is almost impossible to establish the level of viability of the Aboriginal-owned leases from the information included in the financial statements of the Aboriginal organisations. However, it needs to be said that it is not particularly easy to establish the viability of many privately-owned businesses. At least with the Aboriginal organisations, data about government grants are available. Most of the Aboriginal organisations receive substantial ATSIC grants for CDEP wages, on-costs and support costs. Some of these grants are recorded in the financial statements of other organisations associated with the communities or pastoral leases. In other cases, the financial statements include the results of the cattle enterprise, the community store, the community garage, as well as a variety of other local-government type activities in some of the larger communities. It is not a simple task to allocate the wages paid to CDEP workers between the cattle enterprises and other employment in the communities. However, cattle sales of nine of the Aboriginal organisations amounted to $0.55 million in 1991–92. The total income of nine of these organisations from all sources in 1991–92 was $8.5 million and total expenditure $7.1 million.

ATSIC’s financial support and involvement with the pastoral properties has been higher in the west Kimberley region than in the east Kimberley region. Even so, until very recently only one ATSIC enterprise officer has been responsible for all of the west Kimberley properties. The stations in the west Kimberley receive recurrent and capital funding, and generally have development plans. The properties in the east Kimberley, on the other hand, receive considerably less financial support, and the financial statements of most of the organisations in this region demonstrate that the properties are ‘surviving year to year on their own resources and their own wits’ (Green & Hawke 1993, 21). However, broadly speaking, ATSIC’s:

... performance is abysmal in terms of preparing submissions, getting decisions made on these submissions, delivering funds in a timely and orderly way, and keeping its clients informed ... the problem seems to be compounded by the fact that since the merger of ADC and DAA there has been a decline in the number of staff at state and national level with specific rural and pastoral expertise and experience ... generally the situation is deteriorating, not improving (Green & Hawke 1993, 22–23).

In discussing the financial performance of Aboriginal-owned pastoral stations, it is important to remember that many of these leases were not purchased with the primary objective of running the stations as financially viable cattle enterprises. Certainly this has been one of the objectives, but in Western Australia the purchase of the leases has been the main way of obtaining land for Aboriginal people in the absence of land
rights legislation. In the Kimberley region the purchases of pastoral leases have resulted in considerable areas of land of importance to many Aboriginal people being purchased, and have enabled these people to attract other government funding for the construction of community and other infrastructure.

These points were raised by the ATSIC Office of Evaluation and Audit in its Impact Evaluation Land Acquisition Program, completed in September 1992. The Office's findings, many of which are directly relevant to the situation in the Kimberley region, were that marginal land, most in poor condition and cheaply priced, to a large extent had been acquired for Aboriginal communities. Such land has seldom been viable over lengthy periods, and is unlikely to provide an economic base for the communities without substantial injections of capital. Many of the communities which responded to the survey believed that land ownership had helped to meet their initial expectations for increased employment, in large measure because of the accompanying extension of CDEP to these communities. Economic activity has not become of central importance for most of the communities, and land-owning communities of longer than ten years status generally placed the greatest value on the social gains which have arisen from ownership. The emphasis of most of the people living on these properties was on establishing a community with facilities and the encouragement of permanent populations (Office of Evaluation and Audit 1992b, 1–2). However, the Office did make the following comment:

ATSIC still appears to find it difficult to accept that activities which may contribute very little to economic viability could be the most important for the community as a whole (Office of Evaluation and Audit 1992b, 30).

Certainly the ownership of the pastoral leases has contributed to a degree of stability in the Aboriginal communities of the region, and facilitated a change in the population distribution. To some extent it has assisted Aboriginal people to move away from the main towns in the region. In the case of some of the towns, like Fitzroy Crossing and Halls Creek, this is particularly important in the light of the extraordinary levels of alcohol consumption in these towns. It has also, from external appearances, provided an economic base for these communities in the form of government grants and some other income. However, to a large extent the economic base is artificial, in that the overwhelming majority of the income of the organisations is derived from ATSIC grants, mainly for CDEP. The wages component of the CDEP payments is only an alternative form of citizenship entitlements, which in this case are being pooled to enable Aboriginal organisations to fund various types of community development projects and programs. The reality is that very few of the pastoral stations now owned by Aboriginal people have been viable enough to support a non-Aboriginal family in the past. There is little evidence that the hundreds of Aboriginal people living on these stations will ever be completely financially supported by the pastoral activities.
The tourism industry in the Kimberley region

There are a number of other industries which contribute to the regional economy of the Kimberley region. These include tourism and small-scale manufacturing. Total accommodation takings by the Kimberley tourism industry in 1991–92 were $14.6 million and $15.9 million in 1992–93 (Australian Bureau of Statistics, Catalogue No 8635.0). Clearly, despite the increasing tourism interest in the region, particularly in Kununurra and Broome, tourism is still not a major economic activity in the region. The industry is also highly seasonal. As Harris commented:

The small contribution that tourism makes is, of course, understandable, given the location and remoteness of the region, its small population overall, the absence of large towns, the limited links with cities in other parts of Australia, and the relatively low quality of the internal road system. Perhaps its greatest advantage in this regard is its ‘closeness’ to the Northern Territory (Harris 1992a, 148).

There is a considerable degree of Aboriginal involvement in the tourism industry, and Aboriginal interests own a number of tourist accommodation establishments. These include tourism facilities at Cape Leveque on the Dampier Peninsula north of Broome, the Crossing Inn Hotel and motel and the Tanunda caravan park in Fitzroy Crossing. The Mt Barnett Aboriginal community operates a roadhouse complex on the Gibb River Road. As the road is upgraded and tourist numbers increase, the roadhouse should become a very strategic investment for the community. The Wirrimanu people of Balgo own Kingfisher Aviation which has been servicing Aboriginal communities in the south-eastern Kimberley region since 1974. The airline also operates tourist and charter flights to the Purnululu (Bungle Bungle) National Park south of Kununurra, the Nitmiluk (Katherine Gorge) National Park in the Northern Territory and Alice Springs. The Darlangunaya Aboriginal Corporation operates a backpackers hostel in Fitzroy Crossing, and undertakes tourist cruises in the Geikie Gorge National Park. The community is actively seeking to extend its involvement in the commercial tourist activities in the National Park.

Aboriginal participation in selected other industries

Aboriginal people are involved in a range of other industries in the region. Aboriginal people have a very active involvement in broadcasting, through the operation of radio stations in Broome (Broome Aboriginal Media Association), Fitzroy Crossing (Wangkiyupuranmanupurru Aboriginal Corporation), Halls Creek (Puranyangu-Rangka Kerrem Aboriginal Corporation), and Kununurra (Kununurra Waringarri Aboriginal Corporation). With the exception of the radio station in Kununurra, which is now broadcasting on its own frequency, the Aboriginal radio stations are presently broadcasting on the ABC frequencies in the region. Public licences for the other radio stations are likely to be issued in coming years. The first Aboriginal radio station commenced broadcasting in Kununurra in 1987. The strategic direction for the development of the radio stations was established during the late 1980s, and a
The industrial structure of the Kimberley region

A comprehensive plan was presented to governments in 1989 in the form of a report on *Aboriginal Radio in the Kimberley* (Wangkiyupumanapurru et al 1989).

There are also ten Aboriginal communities which operate BRACS (Broadcasting for Remote Aboriginal Communities Scheme) units. ATSIC's total grants for broadcasting in the Kimberley region in 1991–92 amounted to $1.3 million, while funding from the AAPA was also made available for the construction of the radio studio for the Puranyangu-Rangka Kerrem Aboriginal Corporation in Halls Creek and the Broome Aboriginal Media Association. A report on the Broadcasting and Communications Sub-Program of ATSIC was published by ATSIC's Office of Evaluation and Audit in September 1992. The Office's report raised a number of complex issues about ATSIC's role in supporting and financing Aboriginal broadcasting. In particular, ATSIC and DEET's approach towards the funding of BRACS was the subject of a considerable degree of criticism. The criticisms are similar to those raised by Green and Hawke in relation to ATSIC's involvement with Aboriginal-owned pastoral enterprises. The Office noted that BRACS was afforded a very low priority in most of the regional offices.

Financial support for BRACS operations is now provided on an arbitrary basis rather than on any assessment of need in that all BRACS stations are allocated the same amount regardless of maintenance and staffing requirements. This in part reflects the lack of management information systems to enable the program manager to develop strategies and determine priorities ... It is considered that unless the Commission determines its role, priorities and strategies for the ongoing development and support of the BRACS, there is serious doubt that the scheme will remain viable in many communities (Office of Evaluation and Audit 1992a, 3).

Magabala Books in Broome is an Aboriginal-owned publishing business. One of the most important objectives of this business is to publish literature in the various Aboriginal languages of the region, and a number of the children's books that have been published have received national recognition.

A number of Aboriginal-owned arts enterprises also operate in the region. Mangkaja Arts Resource Agency operates from Fitzroy Crossing, while Kununurra-Waringarri Aboriginal Corporation owns a Aboriginal arts and crafts wholesale and retail outlet in Kununurra. Waringarri Aboriginal Arts services artists in Kununurra, Kalumburu, Warmun and Port Keats in the Northern Territory.

The Bardi Aborigines Association from the One Arm Point community north of Broome operates a number of commercial businesses, including boat and vehicle hire, jewellery sales, trochus shells and meat, as well as a community store at One Arm Point. Although financial details of these enterprises were made available to the researchers, for reasons of commercial confidentiality they are not disclosed here. A similar situation applies with respect to most of the other organisations and businesses discussed in the book.
Aboriginal people in the economy of the Kimberley region

Five Aboriginal organisations, including Junjuwa Community Inc, own a 49 per cent share of the Crossing Inn Hotel and Motel in Fitzroy Crossing, as well as full ownership of the Tanunda shopping centre, supermarket and caravan park in Fitzroy Crossing. Alcohol turnover of the Crossing Inn was estimated at approximately $3 million in 1992–93, and the turnover of the Tanunda supermarket was $2.2 million in 1992–93. Junjuwa Community in Fitzroy Crossing also operates a commercial bakery and take-away food outlet, as well as a community store.

The Warmun Community (Turkey Creek) Inc, south of Kununurra, owns the company which owns the Turkey Creek roadhouse. The roadhouse is a substantial asset of the community. The roadhouse was purchased with a number of loans, primarily from ATSIC. Apart from the income generated by the roadhouse, the ownership of the facility has enabled the community to prevent sales of alcohol taking place from the roadhouse. The roadhouse is almost immediately adjacent to the Aboriginal community, and sales of alcohol from the roadhouse were seen by the community’s leadership as likely to have had a devastating impact on the quality of social life in the community.

Northern Building Consultants is a division of Northern Consultants and Associates Pty Ltd, which is an Aboriginal-owned business that provides architectural consulting, planning, community development, project management, research and related services in the Northern Territory and Western Australia. The company has been involved in numerous housing and community infrastructure projects in the Kimberley region, including the Guwarti Ngartu aged people’s facility in Fitzroy Crossing, the Kooljaman project for the Bardi and Djarindjin communities at Cape Leveque, housing for the Mirima community in Kununurra, and housing at Beagle Bay. In early 1993 NBC Aboriginal Corporation was established to undertake the business operations in Western Australia. Kununurra-Waringarri Aboriginal Corporation also owns Mayaroong Constructions, a building company established in 1985.

The role of government in the Kimberley region: welfare dependence?

Apart from the economic activity generated by the mining, agricultural, pastoral, and tourism industries, the figures compiled by the Western Australian Government and the 1991 Census employment figures show the importance of general government, public administration and community services. In terms of contribution to Gross Domestic Product, in 1990–91 public administration, defence and community services made the largest contribution after the mining industry. Of the total GDP for the Kimberley region, this sector accounted for 16.2 per cent, and almost 25 per cent if mining is excluded. If the employment in the categories public administration and defence, health, education, museum and library services, welfare and religious institutions, and other community services, are combined, total employment was 4,619, 38 per cent of total employment in the region. This compares with mining industry’s share of regional employment of 6.3 per cent.
The industrial structure of the Kimberley region

Of those Aboriginal people who were recorded as employed in the 1991 Census, the majority were employed in public administration and community services. This is not surprising given the number of Aboriginal organisations in the Kimberley region, and the staffing structure of many of the government departments and authorities in the region which provide services to the Aboriginal population. It is also not particularly surprising that these sectors would be more important in a regional economy such as that in the Kimberley region. The feature of economic activity in areas like the Kimberley region is the limited income-producing base and the restricted range of industries. Much of the economic activity in the region is based on the provision of services to the local population. A similar picture emerges in the Northern Territory, and to a lesser extent northern Queensland, where there is a high degree of dependence on spending by governments and the employment of government and other community service workers.

This raises the general point about economic activity in a region such as the Kimberley region. With the exception of one major project, the Argyle diamond mine, there are few other major income-generating activities or businesses in the region. Even when the Argyle diamond mine is considered, the majority of the benefits from the project flow to interests outside of the Kimberley region. Recent studies by Harris and the Kimberley Regional Plan Study Report have demonstrated how narrow is the economic base of the Kimberley region. Few prospects for significant economic growth, and population expansion, are apparent, although the region is likely to continue growing because of the growth of the Aboriginal population and the economic effects of further increases in tourist numbers.

Given these prospects, and in the light of information presented in the remainder of this book, it is arguable that the Aboriginal population of the Kimberley region can be regarded as the stable long-term demographic and economic base of the region. The Aboriginal population of the region can attract, and is attracting, substantial financial resources from the rest of Australia, particularly in the form of grants from ATSIC and social security payments. ATSIC program spending alone is more than $62 million a year in the region, and social security payments to Aboriginal people could be as much as $30 million annually. There are few other economic activities that can bring in to the region this amount of income. Not only is the income brought in to the region as a result of the Aboriginal population, the spending circulates in the region for a considerable period of time, providing employment in a range of businesses. Many of these businesses pay rates to the shire councils, funding the delivery of a higher range and quality of services in the region.

The challenge for people living in a region that is economically as narrow as the Kimberley region, with limited growth prospects and a small population, is to continue to attract resources from the rest of Western Australia and Australia as a whole. A crucial source of such income is associated with the Aboriginal people and Aboriginal organisations in the region. Most policy-makers, however, tend not to see the economy of the region in this way. The general trend of policy is still to seek ways of developing large-scale export-oriented resource projects.
Aboriginal people are continually being blamed for undermining economic development, and for being welfare dependent. In fact a significant proportion of the people living in the Kimberley region are heavily dependent for their livelihood and standard of living on spending by the Aboriginal population and Aboriginal organisations. The debate about the High Court’s Mabo decision has almost exclusively been in terms of the potential deleterious impact of Aboriginal land ownership on the economy. Realistically, increasing Aboriginal land ownership, and the funding that can be available because of this land ownership, should stabilise, and possibly improve the economic prospects of the Kimberley region.

It is too easy to criticise Aboriginal people for being welfare dependent. The information presented in this book certainly shows a high degree of reliance on government spending. Some of this spending is in the form of social security payments. A large amount of the spending provides basic services and infrastructure to many Aboriginal people. But the economy of the Kimberley region is dependent on spending by governments. The inclusion of the mining sector in the calculations of the size of the Kimberley economy distorts this reality, particularly since the main linkages of the mining industry are to other parts of Australia and overseas. If Aboriginal people in the Kimberley region can be characterised as welfare dependent, then much of the rest of the population will also have to be similarly described. The incomes and livelihood of many of these people are derived from government spending, either directly to individuals, or indirectly through the economic activity generated in the shops and businesses in the region.

In the Western Australian context, although the dependence of Aboriginal people on government spending is openly discussed, very rarely is the support for government of other people and economic activities discussed. It is often overlooked that the Western Australian public sector expenditure represents about 20 per cent of the State’s entire output. One exception has of course been the debate about ‘WA Inc’ and the behaviour of the previous Labor Government. But some other examples of a more routine nature are available. Although most people living in the non-metropolitan areas of the State are forced to depend on private transport, a reasonably extensive public transport system has been established in Perth. In 1990–91 fares covered only 11.5 per cent of Transperth’s rail operating costs and 23 per cent of the costs of its bus services. Total government contributions to Transperth were $164 million (The West Australian, 27 March 1993). The importance of government spending for the provision of services was highlighted by Commissioner Johnston in his National Report for the Royal Commission into Aboriginal Deaths in Custody:

> It is important to recognise that a high level of dependence on publicly funded services is not something peculiar to Aboriginal people. We are all dependent on numerous public services which some of us subsidize indirectly through taxation. Public transport, roads, airports, sewerage, garbage collection, water, electricity, telecommunications, health care, education, child care facilities, police and the government authorities which regulate our markets are just a few of the services without which we could not enjoy the life style we do. The fact that in many places Aboriginal communities provide these services for themselves through
more direct government funding does not make them more dependent than the majority of the population who live in cities and towns (Johnston 1991, vol 4, 368).

A very good example of the extent to which non-Aboriginal people are dependent on government expenditure in the Kimberley region relates to housing. Figures from the 1991 Census show that for the Kimberley region as a whole 30 per cent of the dwellings occupied by Aboriginal people were rented from Homeswest (511 dwellings), and a further 4 per cent of the dwellings rented by Aboriginal people were from other government agencies. While only 13 per cent of the dwellings occupied by non-Aboriginal people were rented from Homeswest, another 11 per cent of the dwellings were rented from other government agencies. Aboriginal people rented 74 dwellings from other government agencies, but 648 dwellings were rented by non-Aboriginal people from other government agencies. Overall, the number of dwellings rented from all government agencies by non-Aboriginal people (1,425 dwellings) was almost three times the number of dwellings rented to Aboriginal people (585 dwellings). These figures would suggest that the non-Aboriginal population of the region is much more dependent on government expenditure on housing than is generally understood.

It should also be noted that although government expenditure is important in the region, the region does contribute to government revenues. The royalty payments by the diamond mines, for example, were $31 million in 1991–92. Total taxable income of individual taxpayers living in the Kimberley region in 1990–91 was $197 million, and the net tax paid was $42 million. These figures represented about 1.1 per cent of the figures for the State as a whole (Australian Taxation Office 1992). To some extent, if a regional government balance of payments was to be constructed, the taxation and royalty payments would need to be netted off the expenditure of the governments in the region. That is, although the region is highly dependent on government spending, individuals and businesses in the region do contribute to some extent to national and State taxation revenues.

**Conclusion**

Many of the hotels in the Kimberley region display copies of pamphlets which extoll the virtues of the region and encourage travellers to take advantage of the many tours available. Similar types of pamphlets are available from some of the government departments in the region. One gains the general impression from most of these pamphlets that the Kimberley region is a large untouched wilderness waiting to be developed. The region is idealised as a frontier that has been relatively recently settled by 'pioneers', and without these pioneers there would be no development. Those pioneers are lauded for their efforts in establishing the cattle industry and in more recent times the mining and tourism industries. For example, a pamphlet from the Fitzroy River Lodge suggests that the town of Fitzroy Crossing:
has provided services and supplies for the thriving Kimberley Cattle Industry for the past century. Also it has been a haven for the many travellers who have become stranded, sometimes for months, unable to cross the mighty Fitzroy River in flood ... The last few years have seen an extensive growth in the town due to Aboriginal Settlement, Mining, the Cattle Industry and the increase in tourism due mainly to the attraction of the magnificent Geike Gorge National Park.

Similarly, a pamphlet for the Kimberley Hotel in Halls Creek suggests that: ‘The future of Halls Creek looks bright, as Mineral Exploration is continuing, Pastoral industry is still a major force in the area and the Tourism industry which is expanding rapidly’.

Although no one would suggest that tourist pamphlets of this type should meet the standards of academic researchers, such apparently innocuous documents do play an important role in reinforcing certain stereotypes about the region. There is no doubt that many of the government reports and documents about the region have had a similar effect on policy-makers. The Fitzroy River Lodge pamphlet inevitably leads one to think that it is the Aboriginal population of the region that accounts for most of the recent settlement. The fact that many of the Aboriginal people living in these two towns, and some of the other towns in the region, were forced to move from their traditional lands as the pastoral industry expanded seems always to be overlooked.

Whether one analyses the statistics relating to the mining industry, pastoralism or tourism, it is clear that the economic activity generated by these activities that directly benefits the local region is far less than the stereotypes would suggest. Although the towns of Fitzroy Crossing and Halls Creek do act as service points for some of these industries, the most important activities in these towns relate directly or indirectly to the Aboriginal population. There are very few non-Aboriginal people living in either town who do not in some way derive part or all of their income from government spending and, in particular, government spending that is affected by the socio-economic characteristics of the Aboriginal population. The information in the rest of this book provides details about the importance, structure and pattern of government expenditure in the region, and the importance of the spending that is attributable to the Aboriginal population of the region.

Summary

In terms of measured economic activity, the mining industry is the largest industry in the Kimberley region. However, the economic impact of this industry on the region is relatively limited. The projects are owned by interests outside the region, and although the mines employ a significant number of workers, the nature of the employment arrangements severely curtails the regional economic impact of the wages and salaries paid to the employees. Most of the economic benefits from the projects flow to interests outside of the Kimberley region.
The industrial structure of the Kimberley region

Although pastoral and agricultural activities occupy large areas of land, the value of production of $53 million in 1990–91 was relatively small. Large public expenditure has been undertaken to support the existing horticultural activities in the east Kimberley region, and pastoral rentals still do not cover the Government’s costs of administering the leases.

Aboriginal involvement in the pastoral industry of the region is considerable, with 21 pastoral leases owned by Aboriginal interests. Most of the Aboriginal-owned leases were in a poor state of repair when purchased, and include large areas of very low viability land.

Aboriginal people have a range of other interests in the region, including road-houses, tourist ventures, hotels, building companies and radio stations.

Government spending is particularly important in the region. This is important for a region such as the Kimberley region because of the limited economic base, the seasonal nature of some industries, the relative remoteness, and the high cost structure of some industries.

Dependence on publicly-funded services is not something that is unique to Aboriginal people. If Aboriginal people can be characterised as ‘welfare dependent’, then to a large extent the economy of the Kimberley region should be similarly described, since much of the economic activity in the region is dependent on government spending.
CHAPTER 4

COMMONWEALTH FUNDING OF THE WESTERN AUSTRALIAN GOVERNMENT

Introduction

This chapter examines the flow of Commonwealth funds into Western Australia. It is not concerned, to any significant extent, with the actual pattern of spending by the Western Australian Government, which is dealt with in Chapter 8. There are a number of reasons for discussing this issue. Aboriginal people are routinely criticised for their 'waste' of 'taxpayers dollars' and for their dependence on the social security system. These types of criticisms can be readily seen in the news columns and letters pages of many newspapers in Australia. A good recent example was in the letters column of The Cairns Post. On 21 May 1993 the newspaper published a cartoon depicting two Aboriginal men sitting under a tree smoking $100 dollar notes labelled 'Government grants'. One of the men said: 'Personally I find the $100 note gives me a better smoke!' The cartoon was published, according to an editorial in the newspaper (24 May 1993), to stimulate debate about the 'maladministration of taxpayers dollars' following the publication of the Queensland Auditor General's report on the administration of the State's Aboriginal and Torres Strait Islander Councils. The cartoon provoked a storm of criticism, and resulted in an apology from the newspaper's editor. However, for days afterwards the letters pages included contributions along the following lines:

The Aborigines depicted as smoking $100 notes understated the problem, since the money could well have been a greater denomination, having regard to the enormous amount of funds provided by taxpayers, only half of which is acknowledged (The Cairns Post, 26 May 1993).

Maladministration of government funds obviously occurs in some Aboriginal communities. As the present Minister for Aboriginal and Torres Strait Islander Affairs, Mr Tickner, has stated a number of times, the Aboriginal affairs budget is the most heavily scrutinised part of the Commonwealth's budget, even though Commonwealth spending on Aboriginal programs and services is less than 2 per cent of the entire budget. However, despite the extensive scrutiny of the spending on Aboriginal programs, many Aboriginal people are unaware of the extent of the supposed beneficence of governments on their behalf. Many Aboriginal are confused by the complexities of government funding and the accountability requirements. This ignorance does not justify maladministration or corruption. However, many Aboriginal people believe that they need a better understanding of government spending and funding mechanisms. This is an important reason why this research was
initially commissioned. If Aboriginal people are to be continually blamed for wasting 'taxpayers dollars', then it would not be unreasonable to expect that they have some understanding of how government funding and spending priorities are determined, and how these affect Aboriginal people and Aboriginal organisations. This is particularly the case where the priorities of the spending are not determined by Aboriginal people, including most of the spending by State and Territory governments.

In the context of the Western Australian political debate, *The West Australian* newspaper plays a pivotal role in maintaining certain stereotypes about the Aboriginal population of the State. Commissioner Dodson discussed the role of the media in his report for the Royal Commission into Aboriginal Deaths in Custody. In an appendix to the report he included twenty pages of newspaper clippings from various parts of the State reporting on the Aboriginal population. One, from *The Kimberley Echo* (1 June 1985), was headed 'Millions wasted on Abo. groups?', and included the following quite extraordinary 'footnote':

> The American C.I.A. and A.S.I.O. have claimed for some time that Russia has been channelling funds into the many marxist groups that sprung up amongst aboriginal groups in Australia. However, this had become unnecessary lately as the Federal Government had taken over the funding of these groups without requiring any change to their ideologies (sic). Most of this money went on the indoctrination activities of the various groups and the welfare of those involved. Little, if any, got to the tribal grass roots (sic) aboriginals, according to the two agencies.

Commissioner Dodson also quoted from the ANOP research on community attitudes towards Aboriginal people:

> The attitude situation in white Australia is quite monstrous; the problem is not that white Australians have little sympathy for or appreciation of the plight of Aborigines; rather the problem is that white Australians actually regard Aborigines as over privileged, in receipt of overly generous government handouts, and living on the benefit of undeserved concessions (quoted in Dodson 1991, 437).

Governments spend considerable amounts of money on Aboriginal programs and services, although as a proportion of total government spending the amount allocated to Aboriginal programs and services is relatively small. The spending by some of the State governments is almost too small to measure. It is also not obvious that all of the spending actually benefits those most in need, or that Aboriginal people have any effective control over the priorities for much of this spending. Some of the discussion in this chapter is designed to provide a basic explanation of how the spending of the State and Territory governments, and particularly the Western Australian Government, is affected by national priorities. To begin with it is important to note that Australia has a political system which divides responsibility, or sovereignty, between different levels of government. Some of the mechanisms for distributing
resources within the Australian political system, between the different levels of
government, in theory incorporate a strong equity element.

**Australia is a federation**

Australia has a federal system of government. Within the federation, each level of
government — Commonwealth, State and Territory, and local — has certain powers
and responsibilities. These powers and responsibilities are defined by the Australian
Constitution, the State constitutions, and by legislative and other mechanisms. Each
level of government has the capacity to raise revenue, although by far the largest
amount of revenue is raised by the Commonwealth Government through income
taxation. In 1992–93 the Commonwealth raised 67 per cent of all government
revenues in Australia, but its own spending was 52 per cent of the total spending by
all governments. This necessitated a redistribution of financial resources from the
Commonwealth to the other levels of government.

All of the State, Territory and local governments in Australia are reliant on funding
from the Commonwealth Government for part of their expenditure. On average, the
States and Territories raise only half the money they need to provide services. The
rest has to come from the Commonwealth. The Northern Territory depends on the
Commonwealth Government for financial assistance more than the States. It raises
less than one-fifth of what it needs (Commonwealth Grants Commission 1992a, 3). In
the case of the State and Territory Governments, the payments are made directly by
the Commonwealth. In the case of local government in each State and Territory, the
Commonwealth funding is paid initially to the State and Territory Governments
which then distribute the funding to the councils through their Local Government
Grants Commissions.

The reliance of the State, Territory and local governments on Commonwealth funding
is understandable, given the Commonwealth Government’s control over income
taxation, which is the most important form of taxation revenue in Australia. This
difference in the taxation capacities of each level of government is technically
referred to as **vertical fiscal (or taxation) imbalance**. The Commonwealth
Government has the greatest fiscal capacity because of the revenue it receives from
income taxation.

Apart from vertical fiscal imbalance, between the State, Territory and local
governments there is a **horizontal fiscal imbalance**. There are differences in the
capacity of each of the State and Territory Governments to raise revenue from their
own sources. Each government also faces different costs in providing the same public
services. The most populous, long-established States, New South Wales and Victoria,
are the least reliant of the governments on Commonwealth funding, while the
Northern Territory is the most reliant. At the local government level, some councils,
because of their small size and remoteness, have severe difficulties in raising
sufficient revenue through rates and other charges in order to deliver a standard range
of services, compared with some councils in the larger cities.
The Commonwealth payments to the States and Territories represented more than one-quarter of the Commonwealth’s total spending in 1992–93 (26.5 per cent). Apart from the untied general revenue assistance and the specific purpose payments to the Western Australian Government, the Commonwealth Government also spends significant amounts directly on its own programs and services. For example, in 1991–92 the Department of Social Security spent $2,752 million on benefit payments in Western Australia (Department of Social Security 1992, 299–346). Total program expenditure by the Aboriginal and Torres Strait Islander Commission in Western Australia in 1991–92 was $114.35 million (ATSIC Finance Branch, Canberra).

### Table 13 Net Commonwealth payments to the States and Territories, and Western Australia, 1992–93

<table>
<thead>
<tr>
<th>Commonwealth payments to:</th>
<th>Western Australia/ Australia</th>
<th>($000)</th>
<th>(Per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>States and Territories</td>
<td>Western Australia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General revenue funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assistance grants</td>
<td>13,491,793</td>
<td>1,529,907</td>
<td>11.3</td>
</tr>
<tr>
<td>Identified road funds</td>
<td>30,602</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Special revenue assistance</td>
<td>192,483</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>General revenue grants</td>
<td>372,203</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>General purpose capital funds</td>
<td>497,968</td>
<td>44,953</td>
<td>9.0</td>
</tr>
<tr>
<td>Specific purpose payments – current</td>
<td>12,771,248</td>
<td>1,185,044</td>
<td>9.3</td>
</tr>
<tr>
<td>Specific purpose payments – capital</td>
<td>4,393,460</td>
<td>394,892</td>
<td>9.0</td>
</tr>
<tr>
<td>Advances</td>
<td>1,333</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Repayments to Commonwealth</td>
<td>2,670,156</td>
<td>198,730</td>
<td>7.4</td>
</tr>
<tr>
<td>Total net payments</td>
<td>29,079,601</td>
<td>3,013,114</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Source: Commonwealth of Australia 1993d (A-31 to A-37)

The payments to the State and Territory governments take different forms, with some payments for recurrent purposes and some for capital purposes. Some of the payments are untied and some are for specific purposes. The specific purpose payments are discussed in Chapter 5 and 6. Western Australia received 10.4 per cent of total Commonwealth payments to the States and Territories, slightly more than the State’s share of the total Australian population of 9.4 per cent. Total Commonwealth payments to local government nationally amounted to $1,061 million, with payments to local government in Western Australia of $122.2 million.

Of the $3,013 million of net Commonwealth payments to Western Australia in 1992–93, the payments to the Western Australian Government amounted to $2,637 million, and payments through the Western Australian Government amounted to $574 million. The payments through the Western Australian Government included funding for higher education, non-government schools, local government financial assistance,
and grants to local government for roads. The net figure included $198.7 million of repayments by the Western Australian Government to the Commonwealth Government.

In 1992–93 the Western Australian Government received approximately $1,838 for every person in the State from the Commonwealth Government, compared with the payments to the New South Wales Government of $1,435 per capita and Victoria, $1,489. The net payments from the Commonwealth represented about 40 per cent of the Western Australian public sector’s total spending in 1992–93. In 1993–94 the Commonwealth payments to Western Australia were budgeted to be $1,858 per capita, to New South Wales, $1,551, and to Victoria, $1,569. Although the Western Australian Government is dependent to a significant degree on Commonwealth funding, the dependence of the Western Australian public sector as a whole has declined since the mid-1980s.

Table 14 Commonwealth funding of Western Australia and Western Australian public sector spending, 1986–87 to 1993–94

<table>
<thead>
<tr>
<th>Commonwealth funding of Western Australia (1) ($ million)</th>
<th>Western Australian public sector spending (2)</th>
<th>(1) as a percentage of (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993–94 3,109,706</td>
<td>7,642,000</td>
<td>40.7</td>
</tr>
<tr>
<td>1992–93 3,013,114</td>
<td>7,402,000</td>
<td>40.7</td>
</tr>
<tr>
<td>1991–92 2,806,184</td>
<td>7,340,000</td>
<td>38.2</td>
</tr>
<tr>
<td>1990–91 2,785,924</td>
<td>7,305,000</td>
<td>38.1</td>
</tr>
<tr>
<td>1989–90 2,718,924</td>
<td>7,005,000</td>
<td>38.8</td>
</tr>
<tr>
<td>1988–89 2,559,535</td>
<td>6,416,000</td>
<td>39.9</td>
</tr>
<tr>
<td>1987–88 2,580,764</td>
<td>5,572,000</td>
<td>46.3</td>
</tr>
<tr>
<td>1986–87 2,414,347</td>
<td>5,232,000</td>
<td>46.2</td>
</tr>
</tbody>
</table>

Source: Commonwealth of Australia, Budget Paper 1993d, 1990; Western Australia, Budget Paper No 5 (various years)

The statistics for public sector spending in column (2) of Table 14 include spending by 142 Western Australian Government departments and authorities, as well as spending by the 26 public trading enterprises. Of the total expenditure by the Western Australian public sector in 1992–93, $6,278 million was undertaken by the ‘general government sector’, and $1,483 million was undertaken by public trading enterprises including Homeswest, the Western Australian Water Authority, the Lotteries Commission, the State Energy Commission of Western Australia, and Westrail. For the general government sector, 43.5 per cent of the expenditure was financed from
own-source revenue ($2,734 million) and 51 per cent was raised from [Commonwealth] grants (Western Australia, Budget Paper No 5 1993–94, 36).

The role of the Commonwealth Grants Commission

The Commonwealth Grants Commission is a Commonwealth statutory body which was established in 1933 to report upon applications by the State and Territory governments to the Commonwealth Government for special assistance under section 96 of the Constitution. The Commission does not decide the actual size of the total payments to the States and Territories. This is decided by the Commonwealth at the Premiers’ Conferences after discussions with the State Premiers and Territory Chief Ministers. The role of the Commission is to make recommendations on the distribution of grants between each of the States and Territories. The recommendations of the Commonwealth Grants Commission are designed to reduce the horizontal fiscal imbalance that exists in Australia. That is, each of the State and Territory governments has a different capacity to raise revenue from its own sources, and each faces different costs in delivering a standard range and quality of services. The Grants Commission attempts to take account of these differences, with the intention of producing a distribution of Commonwealth financial assistance that gives each State and Territory the financial capacity to deliver a standard range and quality of public services to its population.

To get an idea of the size of the payments that are distributed annually according to the findings of the Commission, the General Revenue Assistance and Hospital Funding Grants to the States and Territories by the Commonwealth in 1992–93 were $17,900 million. The Commonwealth Grants Commission is concerned with expenditure for recurrent purposes, and except for small items is not involved in assessments of capital expenditure by the State and Territory governments. The expenditure analysed by the Commission covers about 40 functional areas of government expenditure, although housing and roads had been excluded until the 1993 review undertaken by the Commonwealth Grants Commission. Its assessments of the relativities for general revenue assistance are particularly important for the Northern Territory and also for Western Australia.

Does Western Australia financially support the rest of Australia?

To enable the Western Australian public sector to spend almost $7.4 billion in 1992–93, a transfer of financial (taxation) resources in the order of $3 billion annually is necessary, given the present pattern of inter-governmental financial arrangements. But the fact that this transfer occurs is not apparent to many people living in Western Australia. Apart from the long-standing distrust of the eastern States by many Western Australians — views which are fuelled by many State politicians — there is a considerable degree of confusion between the export revenue generated by the State’s mineral and petroleum industries and taxation payments. This confusion,
deliberate or otherwise, cuts across party political lines, as suggested by the comments of former Premier Lawrence about the principle of fiscal equalisation:

We will fight by voting against it [changes to the principle of fiscal equalisation], through publicity and through embarrassing Victoria and New South Wales, who find it convenient for the moment to suggest that the taxpayers of New South Wales and Victoria are subsidising people in the rest of Australia. We argue that this is a nation and we all should share in the profits of this nation. Western Australia provides most of the export income anyway, and if we really wanted to take that argument to its logical extreme we would put a dividing line along the border between Western Australia and South Australia and the Northern Territory and go off on our own (Parliamentary Debates, Legislative Assembly, 29 August 1991, 4220).

Some companies in Western Australia are responsible for high levels of exports, particularly exports of mineral and petroleum products. On a per capita basis, the export revenue from Western Australia is higher than some of the other States. It is an exaggeration, however, to suggest that most of the export income of Australia is produced in Western Australia. In 1992–93 Western Australia was responsible for the largest proportion of Australia’s merchandise exports (25 per cent), while New South Wales was responsible for 22 per cent and Queensland for 19 percent (Western Australia, Budget Paper No 5 1993–94, 15). Although figures on a State and Territory basis are not published by the Australian Bureau of Statistics, it is highly likely that businesses in New South Wales and Victoria would be responsible for a large share of Australia’s $13 billion of services exports. Services exports account for approximately 20 per cent of Australia’s total exports.

It also must be remembered that although significant volumes of minerals and petroleum products are exported from Western Australia, the companies involved in mineral and petroleum production also import considerable amounts of capital equipment, machinery, computers, and in the case of the North-West Shelf project, a number of large ships valued at more than $200 million each. There is no accurate method of estimating the net foreign exchange benefits of the mineral and petroleum industries, but merchandise imports to Western Australia in 1992–93 were valued at almost $5 billion (Western Australia, Budget Paper No 5 1993–94, 18). This would suggest that the net foreign exchange benefits of the State’s major export industries are not as large as is generally assumed.

Export revenue is not in itself the basis of government spending. State Government spending is based on State taxation revenue, payments from the Commonwealth, and borrowings. High levels of exports do not necessarily produce equally high levels of taxation revenue in Western Australia and for the Western Australian Government. Many of the companies with operations in Western Australia, and which are responsible for large export activities, do not necessarily lodge their taxation returns in Western Australia. Even if many of these companies do lodge their returns in Perth, they do not necessarily pay large amounts in income taxation. Many of these
companies pay State taxation, including royalties, to the Western Australian Government.

The export revenue generated by companies with activities in Western Australia certainly contributes to the country’s international income, and is recorded in the balance of payments. The balance of payments situation is important for a number of reasons, affecting the value of the Australian dollar and the country’s international credit-rating. However, it is less directly relevant to the spending of governments. The reality is that for the Western Australian public sector to spend $7,402 million in 1992–93 without a substantial rise in State taxation, Commonwealth payments of $3,013 million were required. If Western Australia were to secede from the Commonwealth, as the present Premier Mr Court has suggested a number of times in recent months, then Australia would lose one-quarter of its merchandise export income, but the Western Australian public sector would lose in revenue the difference between the income tax receipts and other tax contributions to the Commonwealth by Western Australian residents, and the amount it presently receives from the Commonwealth Government.

The principle of fiscal equalisation

A significant proportion of the transfer of financial resources from the Commonwealth Government to Western Australia occurs by the application, by the Commonwealth Grants Commission, of the principle of fiscal equalisation. Fiscal equalisation is an extremely important concept which plays a major part in the intergovernmental financial arrangements of the Australian federal system. The principle is intended to ensure that the State and Territory governments have the financial capacity to deliver to their citizens a ‘standard’ range and quality of government services. As such, fiscal equalisation includes an important equity principle. But there is no guarantee that the level and quality of services will actually be equalised between individuals, or areas, within a State or Territory. Because the grants are untied, the priorities for the expenditure of these funds are determined by the governments of each of the States and Territories. The Commonwealth Grants Commission has commented on the application of the principle:

We recognise that ultimately equity must relate to people, not to governments. While general revenue grants do not in themselves ensure equity to individuals, they contribute importantly to the capacity of State Governments to provide it ... It is important to emphasise that equalisation applies to capacity, not performance. It is not for the Commission to tell the States what to do (Commonwealth Grants Commission 1993a, vol 1, 7).

The principle of fiscal equalisation results in a transfer of Commonwealth taxation revenue collected from taxpayers in New South Wales and Victoria to the other States and Territories. The transfer of financial resources reflects the fact that Queensland, Western Australia and the Northern Territory have relatively smaller and more dispersed populations, and considerably smaller taxation revenue bases. The
dependence of relatively small (in population terms), relatively remote jurisdictions of a large country on federal [Commonwealth] finance does not appear to be unusual when the Australian situation is compared with other countries with federal systems of government. The funds transferred from New South Wales and Victoria are Commonwealth taxation resources. The resources do not belong to the governments of New South Wales or Victoria, despite some of the public comments by politicians from these States. They come from taxes paid to the Commonwealth by companies, individuals and other entities which lodge tax returns in those States.

There has been criticism of the principle of fiscal equalisation for many years, particularly by politicians in New South Wales and Victoria. The national recession and the high levels of unemployment in these States have given more prominence to these funding distribution issues in the public debate. The Grants Commission specifically addressed some of these concerns expressed by New South Wales and Victoria in its Report on General Grants Relativities 1993. The Commission compared the per capita relativities for the six States in 1976 with those since, and concluded:

The changes in grant shares do not support the perception sometimes voiced by New South Wales and Victoria that Commission processes have worked increasingly against them. Indeed, the review process has generally produced increased shares for New South Wales and Victoria at the expense mainly of Queensland ... It is worth noting that, on the results of the 1992 Update, the grant shares of New South Wales and Victoria (on a constant population basis) were higher than in the 1976 Act. To the extent that these perceptions of the larger States about their adverse treatment are founded in actual grants, they overlook their own relatively slow rates of population growth, and the rapid growth in some of the other States, notably Queensland and Western Australia (Commonwealth Grants Commission 1993a, vol 1, 8).

In 1991–92 the Victorian Government received $811.80 of untied general revenue assistance from the Commonwealth for each person in the State, and the New South Wales Government $824.54. The Northern Territory Government received the highest level of per capita payments of $4,843.27, and the Western Australian Government received $1,143.77.

If every State and Territory Government were to receive General Revenue Assistance from the Commonwealth on an equal per capita basis, as has been argued by the New South Wales and Victorian Governments, then the Western Australian Government would have received only $1,704 million in 1992–93, instead of the $1,910 million it actually received. Because of the application of the principle of horizontal fiscal equalisation by the Commonwealth Grants Commission, $206 million was redistributed to the Western Australian Government by way of Financial Assistance Grants in 1992–93 (Commonwealth Grants Commission 1993a, vol 1, xii–xiii).
Table 15 Commonwealth General Revenue Assistance and Hospital Funding Grants to States and Territories, 1991–92 and 1992–93

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>4,898</td>
<td>5,136</td>
<td>824</td>
<td>842</td>
</tr>
<tr>
<td>Victoria</td>
<td>3,604</td>
<td>3,835</td>
<td>812</td>
<td>843</td>
</tr>
<tr>
<td>Queensland</td>
<td>3,253</td>
<td>3,379</td>
<td>1,084</td>
<td>1,084</td>
</tr>
<tr>
<td>Western Australia</td>
<td>1,888</td>
<td>1,910</td>
<td>1,144</td>
<td>1,122</td>
</tr>
<tr>
<td>South Australia</td>
<td>1,802</td>
<td>1,866</td>
<td>1,240</td>
<td>1,250</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>813</td>
<td>810</td>
<td>4,843</td>
<td>4,673</td>
</tr>
<tr>
<td>Tasmania</td>
<td>660</td>
<td>701</td>
<td>1,406</td>
<td>1,456</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>460</td>
<td>303</td>
<td>1,573</td>
<td>1,001</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>17,379</td>
<td>17,939</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Commonwealth Grants Commission (1993a, vol 1)

The 1993 review of the relativities by the Commonwealth Grants Commission

The Commonwealth Grants Commission completed its five-yearly review of the relativities in March 1993. As a result of the review, the per capita Commonwealth funding of the Northern Territory would have been reduced to $4,673 and Western Australia to $1,122, and the funding of New South Wales would have been increased to $842 and Victoria to $843, if the relativities had been applied to the 1992–93 distribution. If these relativities had been applied to the distribution of the general revenue and hospital funding grants in 1992–93, the grants to New South Wales would have been $163 million higher, and Victoria $11.4 million higher. On the other hand, the grants to Western Australia would have been $48.7 million lower and $71.5 million lower for Queensland (Commonwealth Grants Commission 1993a, vol 1, 43). Despite the changes in the recommended relativities, the redistribution to Western Australia as a result of the application of fiscal equalisation would still have been $206 million in 1992–93, and $636 million to the Northern Territory (Commonwealth Grants Commission 1993a, vol 1, xiii).

At the Premiers' Conference in July 1993, the Commonwealth Government went some way towards accommodating the views of the larger States. For 1993–94 Commonwealth gross funding for New South Wales was increased by 9.6 per cent to $9,631 million and Victoria by 7.2 per cent to $7,217 million. Western Australia, on the other hand, received a relatively smaller increase of 4.7 per cent to $3,225 million.
Western Australian Government submissions to the Commonwealth Grants Commission

The Western Australian Government submissions to the 1993 Commonwealth Grants Commission review are interesting when compared with those prepared by the Northern Territory Government. There are a number of reasons to compare the submissions of the two governments. The Aboriginal population is approximately the same size in Western Australia and the Northern Territory. Since the socio-economic characteristics of the Aboriginal population of the Northern Territory have a significant influence over the level of Commonwealth funding received by the Northern Territory Government, to some extent it is possible to compare the level of spending of the two governments on Aboriginal programs and services. The submissions also provide a comparison of the policy differences between the two governments. The comparison with the Northern Territory provides one benchmark for analysing the performance of the Western Australian Government, at least in terms of spending. Of course there are differences between the Northern Territory and Western Australia, which the Commonwealth Grants Commission takes into account.

The Western Australian submissions to the Commonwealth Grants Commission include far fewer references to the Aboriginal population of the State than do those of the Northern Territory. This is partly because Aboriginal people are a very small proportion of the Western Australian population, and partly because of the differing policy positions of the two governments regarding spending on programs and services for Aboriginal people. However, there are still a considerable number of areas of government spending and, to a lesser extent, revenue where the Western Australian Government’s submissions consider the effect of the Aboriginal population of the State.

Selection from Western Australian Government submissions to Commonwealth Grants Commission

Education
While the Grants Commission takes account of the additional costs of providing education services to Aboriginal students living outside of the metropolitan areas, Aboriginal students living in the metropolitan areas also have ‘additional needs’ (Western Australian Government 1991, 123).

Health
No other ‘Australian social group experiences health or social problems of a similar magnitude’ (1991, 169).
Police
Because of the higher police contact rates and offence rates for Aboriginal people, 'together with the evidence of higher servicing costs for Aboriginal offenders', the 'weighting for Aboriginals in the social composition factor for the Police expenditure category should be substantially increased' (1991, 197). Statistics for 8 selected police stations in June 1991 suggest that although the non-Aboriginal population serviced by these police stations (41,740) was much larger than the Aboriginal population (4,741), the number of police 'contacts' with the non-Aboriginal population (539) was actually lower than that of the Aboriginal population (864). Aboriginal people were 13.6 times more likely to come into contact with police (1991, 215). The rate of apprehension of Aboriginal people by the police in 1991–92 was an extraordinary 67,559 per 100,000 of population, compared with 5,517 per 100,000 people for the non-Aboriginal population (1991, 216). 'The [Grants] Commission should recognise a special additional disability for Western Australia in view of the relatively large and dispersed nature of the Aboriginal population in this State and the associated relatively high cost of implementing the far reaching recommendations of the Royal Commission' (1991, 232).

Welfare services, child and family welfare
'Western Australia faces significant additional costs due to the need to provide welfare services to a small population residing in dispersed areas ... The need for a local presence is heightened by the higher proportionate needs of Aboriginals' (1991, 243). 'An Aboriginal child is 14.5 times more likely to require alternative or out of home care and 31.3 times more likely to be admitted to secure Department residential care than a non-Aboriginal child' (1991, 248).

Housing
'While 7.7% of all households in Western Australia rented from Homeswest at the time of the 1986 Census, for Aboriginal households the figure was 50%'. This is because of the relatively low incomes of Aboriginal people compared with the general population; the difficulties experienced by many Aboriginal people in obtaining private rental housing; and the very low rates of Aboriginal home ownership (1991, 267–8). The high cost of maintaining houses rented by Aboriginal people is partly because 'the Aboriginal culture places little value on physical possessions. This, together with social problems such as alcoholism, youth alienation, and the extended family structure which results in acute overcrowding (which is not well catered for by traditional housing structures), maintenance costs for properties rented to Aboriginals are generally higher' (1991, 270).

New communities
'Western Australia submits that it also suffers a disability associated with the establishment of new Aboriginal communities' (1991, 278).

Community Development Employment Projects Scheme
'it is generally acknowledged that the use of CDEP funding for the provision of municipal type services is widespread throughout Western Australia. CDEP funds
Aboriginal people in the economy of the Kimberley region

are at least partly used to fill the void left by Local Government not extending its municipal type services to Aboriginal communities’ (Western Australian Government 1992a, 73).

Aboriginal community services

‘Western Australia’s size and the fact that most services and resources in the North West of the State are concentrated in only a few major centres exacerbates difficulties associated with delivering services to most Aboriginal communities. In both existing and new communities, the cost of services for community management reflects the costs involved in servicing remote isolated areas which have no access to established town economies’ (1991, 287).

The Western Australian Government is at least reasonably candid in stating that economic development priorities tend to take precedence over those of Aboriginal people in remote parts of the State. In the section of one of the submissions dealing with the Aboriginal Community Services category of expenditure, the Government stated that:

The normal economic imperatives which cause the State to establish townships (i.e. to support economic developments) are not the imperatives which cause new Aboriginal communities to be established. The high costs of service delivery to remote Western Australian Aboriginal communities is a special cost that does not relate to costs which the State would normally accept in return for economic gain from resource development (Western Australian Government 1991, 284).

The Western Australian Government noted that there have been different responses by each of the State and Territory governments to the growth of the ‘homelands’ or outstation movement. It is interesting, however, that although the Government suggests that the homelands movement has been the outcome of Commonwealth policy, it is ‘increasingly reflected in State policy’. There is no explanation as to why this might be the case, although the debate generated as a result of the Royal Commission, and the inadequacies of the Government’s policies that were exposed by the Royal Commission, might provide part of the explanation.

For example, the Northern Territory has developed a clear policy of supplying a relatively high standard of service and infrastructure including roads and airstrips, as well as high standards of water, sewerage and power supplies. The other States provide less facilities and much lower levels of services than the Northern Territory (Western Australian Government 1991, 285).

There was also no explanation in the Government’s submission why the Northern Territory Government had been able to develop a clear policy of supplying a high standard of services to remote communities and the Western Australian Government had not been able to develop such policies. In another section of its submission, relating to health, the Western Australian Government argued that the policies of the Northern Territory ‘are not considered to be representative of the other States’ (Western Australian Government 1991, 38). At least the Western Australian
Government acknowledged that its spending commitments to Aboriginal people in remote areas have been less than those of the Northern Territory Government. The growth of outstations is resulting in an increasingly decentralised Aboriginal population in both Western Australia and the Northern Territory. The Western Australian Government estimated that there were at least 235 Aboriginal communities in the State, a figure which had increased by 42 per cent since 1985. Of these, 150 communities were identified as remote, and they were on average 130 kilometres from the nearest major population centre (Western Australian Government 1991, 286). There is no doubt that the decentralised nature of the Aboriginal population increases the cost of the present pattern of service delivery, to the extent that services are delivered to people living in remote areas of the State.

The redistributive effects of the factors assessed by the Commonwealth Grants Commission

In assessing the financial requirements of each of the State and Territory governments, the Commonwealth Grants Commission takes account of certain location specific disabilities, including administrative scale, population dispersion, economic environment, land rights, physical environment, sacred sites and urbanisation. The Western Australian Government, as it has successfully argued before the Commonwealth Grants Commission, requires additional Commonwealth funding because it has a narrower taxation revenue base and has a relatively small population compared with its vast land area.

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**Major disability factors used by the Commonwealth Grants Commission to assess funding relativities of the States and Territories**

**Population:** takes account of age and sex characteristics of the population, and its socio-economic composition, including the proportion of Aboriginal people, proportion of people from non-English speaking backgrounds, proportion of people with low income or other indicators of low socio-economic status.

**Dispersion:** this causes increased costs because of increased telephone expenditure, travel costs, motor vehicle expenses, expenditure on freight, locality allowances paid to staff, government expenditure on patient travel to hospitals.

**Administrative scale:** because of the large population differences between the States and Territories, there is additional expenditure by some governments which are not able to take advantage of economies of scale available to the more populous States.
Aboriginal people in the economy of the Kimberley region

**Input costs:** some governments have higher wages, salary, and accommodation costs because of competition from private sector employers, and some have higher electricity costs, particularly the Northern Territory and Western Australia.

**Economic environment:** in some States and Territories there is limited, or no, private hospital accommodation; and there are differences in the number of farms, fishing and mining establishments which impose greater costs on some governments.

**Urbanisation, vandalism and security:** some additional costs result from the greater populations of Sydney and Melbourne, including the greater demand for public transport and increased travel times per kilometre of bus travel.

**Service delivery scale:** in the remote areas, small service outlets, such as police stations, country water supply and, sewerage, and hospital services, are less economic than outlets in more closely settled areas.

**Cross border:** the net costs associated with the provision of services to residents of other States and Territories (Commonwealth Grants Commission 1993a, vol 2, 33–58).

In its *Report on General Revenue Grant Relativities 1993* the Commission published detailed information on how each of these factors would have impacted on the redistribution if the revised assessments had been applied to the distribution of Commonwealth grants in 1992–93. A summary of the Commission’s calculations for each of the factors is shown in Table 16. The figures for the Australian Capital Territory are not included. The figures in the Table 16 result from an application of the revised relativities from the 1993 review to the grants in 1992–93. The intention of the Grants Commission in preparing these figures was to enable a comparison of the distribution of funding in 1993–94, when the new relativities will be applied with the situation that would have applied if these relativities had been applied in 1992–93.

The Commonwealth Grants Commission’s 1993 assessments were based on government financial information for the 5 year period 1987–88 to 1991–92. Somewhat contentiously, the 1986 Census figures were also used by the Commission for some of the factor calculations. The Queensland Government argued that the State’s rapid population growth in recent years would not be reflected in the Grants Commission’s calculations because the 1991 Census data was not available. However, the 1991 Census figures will be available for the 1994 Update review undertaken by the Commission, and some updated figures were included in the Commission’s calculations.

In the case of Western Australia, the most important factors affecting the redistribution were the State’s population structure, the age/sex and socio-economic composition of the population, dispersion and administrative scale factors. As the Commission noted in relation to the dispersion factor, although Western Australia and
South Australia cover very large areas, more than two-thirds of their respective populations live in Perth and Adelaide. For input costs, the Western Australian Government argued that its electricity costs were higher because of small scale, higher fuel costs and distributional disadvantages.

Table 16  Redistributive effects of major factors assessed by the Commonwealth Grants Commission, 1992–93 distribution

<table>
<thead>
<tr>
<th></th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>NT</th>
<th>($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age/sex and socio-economic composition</td>
<td>-118</td>
<td>-288</td>
<td>124</td>
<td>52</td>
<td>26</td>
<td>14</td>
<td>258</td>
<td></td>
</tr>
<tr>
<td>Dispersion</td>
<td>-39</td>
<td>-92</td>
<td>80</td>
<td>35</td>
<td>-26</td>
<td>-5</td>
<td>59</td>
<td></td>
</tr>
<tr>
<td>Administrative scale</td>
<td>-196</td>
<td>-137</td>
<td>-103</td>
<td>56</td>
<td>74</td>
<td>74</td>
<td>161</td>
<td></td>
</tr>
<tr>
<td>Input costs</td>
<td>66</td>
<td>-24</td>
<td>-29</td>
<td>-6</td>
<td>-23</td>
<td>-16</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Economic environment</td>
<td>36</td>
<td>-64</td>
<td>3</td>
<td>24</td>
<td>21</td>
<td>2</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Urbanisation, vandalism and security</td>
<td>42</td>
<td>32</td>
<td>-22</td>
<td>-14</td>
<td>-9</td>
<td>-12</td>
<td>-15</td>
<td></td>
</tr>
<tr>
<td>Service delivery scale</td>
<td>-32</td>
<td>-33</td>
<td>2</td>
<td>27</td>
<td>14</td>
<td>10</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Cross-border</td>
<td>-62</td>
<td>4</td>
<td>6</td>
<td>0</td>
<td>7</td>
<td>-4</td>
<td>-2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>($ per capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>-22</td>
</tr>
<tr>
<td>Age/sex and socio-economic composition</td>
<td>-20</td>
</tr>
<tr>
<td>Dispersion</td>
<td>-7</td>
</tr>
<tr>
<td>Administrative scale</td>
<td>-34</td>
</tr>
<tr>
<td>Input costs</td>
<td>11</td>
</tr>
<tr>
<td>Economic environment</td>
<td>6</td>
</tr>
<tr>
<td>Urbanisation, vandalism and security</td>
<td>7</td>
</tr>
<tr>
<td>Service delivery scale</td>
<td>-5</td>
</tr>
<tr>
<td>Cross-border</td>
<td>-11</td>
</tr>
</tbody>
</table>

Source: Commonwealth Grants Commission (1993a, vol 2, 34–58)

The impact of the Aboriginal population on the assessments

The social and economic characteristics of the Aboriginal population influence the Commonwealth Grants Commission’s assessments. The influence shows up most clearly in the Northern Territory, even though numerically there are more Aboriginal people in Queensland and New South Wales. Because of the high rates of Aboriginal
unemployment, the costs of providing infrastructure in remote areas, and the impact of remoteness on service delivery, the Northern Territory Government receives a significantly higher level of per capita funding than the States. For example, in relation to the general revenue funding it receives for education, the Northern Territory Government submission to the Commonwealth Grants Commission stated:

In the past the Commission has accepted the NT’s claims that it experiences special needs in relation to the provision of primary education services to its Aboriginal population. It has accepted that the Territory has to provide primary education services in different ways to those provided in the States because of the remoteness, dispersal and cultural background of its Aboriginal population (Northern Territory Government 1991, vol 1, 203).

The Commonwealth Government allocates funding to the Northern Territory at levels which are well above those of the States, on a per capita basis, and which are larger, in absolute terms, than the funding allocated to Tasmania. While this higher level of funding gives the Northern Territory Government the financial capacity to deliver a standard range of services to the population of the Northern Territory, the actual financial amounts of the transfer come from a pool of funds whose overall size is determined by the Commonwealth. The higher the level of funding that goes to the Northern Territory, the less that is available for the States. So while Aboriginal people in the Northern Territory might benefit from the higher levels of per capita funding received by the Northern Territory Government, and there is no guarantee that they do, the State governments have less general revenue assistance resources available to them from the Commonwealth to deliver services to their constituents.

It would be too simplistic to suggest that Aboriginal people in the Northern Territory are benefiting at the expense of Aboriginal people in other parts of Australia because of the higher per capita levels of funding received by the Northern Territory Government. Some Aboriginal people in other parts of Australia believe this is the case. The complexities and remoteness of the Commonwealth Grants Commission’s processes mean that many Aboriginal people do not participate in its deliberations, and few would even be aware of how the assessments are calculated and how Aboriginal people impact on the assessments. But the debate between the ATSIC Commissioners and some regional councils about the national distribution of ATSIC’s funds suggest that some Aboriginal people are critical of the apparently high levels of funding being directed towards Aboriginal programs and services in northern Australia, and particularly the Northern Territory. The debate within ATSIC on this issue is examined in Chapter 9.

The social, economic and demographic features of the Aboriginal population of Western Australia are likely to have a more limited, and somewhat different impact on the Commonwealth Grants Commission’s assessments for that State than in the Northern Territory. Although the Aboriginal population of Western Australia, according to the 1991 Census, was approximately the same as that of the Northern Territory, the Aboriginal population of the Northern Territory represented about 22 per cent of the total Northern Territory population, whereas in Western Australia the
proportion was only 2.5 per cent (Aboriginal and Torres Strait Islander Commission 1992b). There is also clearly a significant difference in the extent to which the Northern Territory Government is prepared to undertake expenditure on programs and services for Aboriginal people, particularly those living in remote areas, compared with the Western Australian Government.

Further, there has been a strong tendency in Western Australia for State governments to respond to Aboriginal ‘problems’ by using the police and criminal justice systems, rather than attempting to address some of the more fundamental problems experienced by many Aboriginal people, including access to land and the delivery of appropriate services in remote areas (Dodson 1991). The impact of the Aboriginal population on the assessments of Western Australia’s expenditure by the Commonwealth Grants Commission is more likely to appear in the police and criminal justice expenditure categories rather than areas such as Aboriginal Community Services. A significant part of the Western Australian Government submissions to the Commonwealth Grants Commission is devoted to police and criminal justice issues.

**The Aboriginal Community Services category of expenditure**

The Commonwealth Grants Commission assessments take account of expenditure by the State and Territory governments under about 40 functional areas. Social Services Expenditure includes spending on education, culture, recreation, health, welfare services, law, order and public safety, administrative services and community services. In many of these categories the additional costs of providing services to the Aboriginal population are taken into account, including remoteness and demography (particularly the number of children under five years of age).

One category of expenditure which is specific to Aboriginal people is Aboriginal Community Services. This includes expenditure by State and Territory governments on the provision of community management, including some of the services usually provided by local government; the operating, repairs and maintenance costs of essential services, including water, power, sewerage, ablation/toilet facilities, internal and access roads, airstrips, barge landings, telecommunications and cyclone shelters; and minor new works or the upgrading or purchase of assets relating to the above services where the total estimated project cost was less than $100,000 or the expected life of the asset was less than 3 years. Some of the expenditure by these governments is based on specific purpose payments from the Commonwealth Government.

The Commonwealth Grants Commission’s preferred method of assessment is to take the Australian average per capita expenditure (the ‘standard’) and adjust it for each State or Territory. This is more reflective of the demand for or cost of providing the service. Broadly speaking, government expenditure in Western Australia is well above the all-States average in welfare services, corrective services, community health, culture and recreation, and services to industry. Expenditure is below the
Aboriginal people in the economy of the Kimberley region


Until the change in methodology in the 1993 Review, the Aboriginal Community Services category of expenditure was unusual in that the Commonwealth Grants Commission accepted that the level of spending by the State and Northern Territory governments on this function was a reflection of their need for general revenue assistance from the Commonwealth Government. The Western Australian Government argued for a change in the methodology so that the assessments would take account of policy differences between governments, and ‘so that the actual cost disabilities encountered by States in providing services to Aboriginal communities are fully accounted for’ (Western Australian Government 1991, 288).

The Northern Territory has by far the highest level of spending under the Aboriginal Community Services category, with total expenditure of $57.7 million in 1991–92 ($343.32 per capita), compared with the spending in Western Australia of $24.9 million ($15.05 per capita). The expenditure in Queensland under this category increased significantly in 1991–92, from $28.7 million in 1990–91 ($9.79 per capita) to $41.1 million in 1991–92 ($13.68 per capita). The per capita figures are somewhat misleading, since the figures are calculated for the entire population of the State or the Northern Territory. For example, the five year average per capita figure for the Northern Territory ($339.08) is based on an average Northern Territory population of approximately 163,000. However, the Aboriginal population of the Northern Territory is about 40,000, which produces a five year per capita average for spending on Aboriginal Community Services of $1,385. In Western Australia, the five year average figure ($11.29) is based on a State population of 1.6 million, and the Aboriginal population of Western Australia is similar in size to that of the Northern Territory. The adjusted five year average per capita figure for Western Australia is therefore $451. While the expenditure in Western Australia is still well below that in the Northern Territory, the difference is not as large as the data in Table 17 indicates.

Table 17 Net expenditure on Aboriginal Community Services in Western Australia, Queensland and Northern Territory, 1987–88 to 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Northern Territory ($000)</th>
<th>Western Australia ($000)</th>
<th>Queensland ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($ per capita)</td>
<td>($ per capita)</td>
<td>($ per capita)</td>
</tr>
<tr>
<td>1991–92</td>
<td>57,672</td>
<td>343.32</td>
<td>41,084</td>
</tr>
<tr>
<td>1990–91</td>
<td>64,145</td>
<td>387.63</td>
<td>28,728</td>
</tr>
<tr>
<td>1989–90</td>
<td>61,270</td>
<td>377.32</td>
<td>20,893</td>
</tr>
<tr>
<td>1988–89</td>
<td>49,941</td>
<td>310.96</td>
<td>23,885</td>
</tr>
<tr>
<td>1987–88</td>
<td>43,961</td>
<td>276.17</td>
<td>21,940</td>
</tr>
<tr>
<td>5 year average</td>
<td>55,398</td>
<td>339.08</td>
<td>27,302</td>
</tr>
</tbody>
</table>

Commonwealth funding of the WA Government

One question that arises from these figures is whether remote Aboriginal communities in the Northern Territory receive a greater level of service provision than equivalent types of communities in Western Australia. It is instructive to examine some of the reasons for the relatively higher level of spending by the Northern Territory Government on the provision of services to remote Aboriginal communities compared with the expenditure in Western Australia and Queensland. One explanation is that the Northern Territory faces higher costs in providing services, due to a number of factors that have been taken into account by the Commonwealth Grants Commission. A further explanation can be ascertained from the more detailed information on the Northern Territory Government's expenditure that is available from the Commonwealth Grants Commission. In 1990–91 two categories of expenditure dominated the expenditure by the Northern Territory Government in the Aboriginal Community Services category: expenditure of $22.5 million by the Office of Local Government, and expenditure of $33.7 million by the Power and Water Authority on the provision of essential services to remote Aboriginal communities.

The relatively high level of spending by the Northern Territory Office of Local Government reflects some of the unusual features of the Northern Territory system of local government. Although there are municipal councils in the main urban areas, most of the Northern Territory is not formally incorporated into a system of local government. However, there is a range of other local governing bodies, the majority of which are based in remote Aboriginal communities. These include Community Government Councils incorporated under the Local Government Act and the association councils, incorporated either under the Northern Territory's Associations Incorporations Act or the Commonwealth's Aboriginal Councils and Associations Act. All of these local governing bodies, and the municipal councils, are eligible for assistance under the Commonwealth's Local Government (Financial Assistance) Act.

There is a far wider range of local governing bodies in the Northern Territory than in Western Australia, where there is a shire-based system of local government which covers the entire State under the Local Government Act. Aboriginal people living in remote communities in the Northern Territory can, if they wish to establish a local governing body, and the Northern Territory Minister for Local Government approves, be incorporated under either the Local Government Act or the two other pieces of incorporation legislation. In practice, however, there is very strong pressure from the Northern Territory Government, and to a lesser extent parts of the ATSIC bureaucracy, for communities to incorporate under the Local Government Act. No communities have ever been incorporated under the councils provisions of the Aboriginal Councils and Associations Act, although there have been a number of applications.

Notwithstanding the Northern Territory Government's preference for the establishment of Community Government Councils under the Local Government Act, considerable levels of funding are distributed to Aboriginal communities which have established local governing bodies. In 1992–93 more than $15 million was distributed to Aboriginal local governing bodies and other Aboriginal organisations. Some of this
expenditure is reflected in the Commonwealth Grants Commission's assessments. The funding takes a number of forms. In 1992–93 the Office of Local Government distributed $15.8 million of Operational Subsidies and other grants. Aboriginal local governing bodies and other Aboriginal organisations received $10.2 million of this funding. In addition, $7.212 million was distributed following the assessments of the Northern Territory Local Government Grants Commission, of which $3.3 million was allocated to Aboriginal local governing bodies. This latter category of funding is the same as the funding distributed following the assessments of the Western Australian Local Government Grants Commission.

The distribution of the Operational Subsidies by the Northern Territory Office of Local Government to local governing bodies in Aboriginal communities is an important difference between Western Australia and Northern Territory. In some respects, the payments in the Northern Territory are similar to those distributed by the Department of Family Services, Aboriginal and Islander Affairs in Queensland to the 31 Aboriginal and Torres Strait Islander councils. The relatively higher level of spending in the Northern Territory and Queensland compared with Western Australia is a reflection of a number of factors. First, and most obvious, there are no Aboriginal councils, or Aboriginal local governing bodies, in Western Australia. However, the new Shire of Ngaanyatjarra has recently been established in the eastern portion of the former Wiluna Shire, and the population of the shire is almost completely comprised of Aboriginal people.

The impact of the Aboriginal Land Rights (Northern Territory) Act has also undoubtedly been significant in enabling Aboriginal people to gain title to land. The legislation has given many Aboriginal people in the Northern Territory more opportunities to make decisions about their lives and to improve their strategic position in the Northern Territory. It has also to some extent undermined the Northern Territory Government's attempts to impose a shire council system throughout the Northern Territory, although the Government persists through the activities of the Office of Local Government. Without any effective form of land rights and assistance from well-funded organisations like the land councils in the Northern Territory, as well as being only a small minority of the State's population, Aboriginal people in Western Australia were in no position to prevent the spread of the shire council system over their traditional lands.

It is interesting that in one of its submissions to the Commonwealth Grants Commission the Western Australian Government commented on the local government situation in the Northern Territory:

> It is unclear whether the allowance within the former Local Government and Town Planning category for costs relating to the establishment of local government for Aboriginal communities in the Northern Territory should be continued in the Planning and Environment category, or should be attributed to the Other General Public Services category. However, regardless of the placement of this disability, Western Australia would expect these establishment costs to
have declined since the 1988 Review, as the process of establishing a system of local government throughout the Northern Territory is now well advanced (Western Australian Government 1991, 280).

The fact that most of the land area of the Northern Territory is not incorporated in shire councils produces another difference from the situation in Western Australia. Whereas in Western Australia shire councils collect rates from pastoral land, pastoral lease land is not subject to rates in the Northern Territory. Further, the owners of Aboriginal land in the Northern Territory are not subject to rates, whereas some of the land owned by Aboriginal people and Aboriginal organisations in Western Australia is rateable. Since Aboriginal local governing bodies in the Northern Territory do not have a rate base, without some form of supplementary financial assistance (Operational Subsidies) these councils would be considerably restricted in their ability to deliver services. In Western Australia, most shire councils respond to the non-payment of rates by Aboriginal people by not delivering services to these people.

The largest component of the Aboriginal Community Services expenditure by the Northern Territory Government has been spending by the Power and Water Authority (PAWA) on the provision of power, water and sewerage services to remote Aboriginal communities. In the four year period 1987–91 average annual expenditure on this function by PAWA was almost $29 million. Notwithstanding the Northern Territory Government’s attempts to introduce charges for electricity usage in remote Aboriginal communities in 1992, the expenditure on this function is considerable. The expenditure was budgeted to rise from $33.7 million in 1992–93 to $37.4 million in 1993–94. An average of 41 staff will be involved in the delivery of these services in 1993–94 (Northern Territory, Budget Paper No 2 1993–94, 183).

In contrast, spending by the State Energy Commission of Western Australia (SECWA) and the Western Australian Water Authority (WAWA) on the provision of services to remote Aboriginal communities, and recorded under the Aboriginal Community Services category, was at a much lower level. The average annual expenditure by these two authorities during the period 1987–92 was about $1.9 million. In fact, PAWA has been spending more in one year than the two authorities in Western Australia together over the whole five year period. This relatively low level of expenditure in Western Australia during these years occurred despite the existence of the Aboriginal Communities Development Program (ACDP), a $100 million five-year program which allocated funds to obtain legal land tenure and for the provision of basic municipal services to Aboriginal communities. A major portion of the funds was transferred to SECWA and WAWA for the maintenance of essential services, and the Program was completed in 1990–91. In 1990–91 the essential service contribution was $3.2 million (Aboriginal Affairs Planning Authority 1991, 6).

**Spending on Aboriginal Community Services in Western Australia**

Table 18 provides further details of the Aboriginal Community Services expenditure in Western Australia. The expenditure classifications in the table are those used by the
Commonwealth Grants Commission. According to the Grants Commission, the Commonwealth Grants in Aid are comprised of ATSIC direct grants to Aboriginal communities, and the descriptions of the expenditure reflect the current names of ATSIC programs. Commonwealth Payments to the State are comprised of ATSIC payments to Western Australian departments and authorities for services provided to Aboriginal communities. The other categories are expenditure by the AAPA and by other Western Australian departments and authorities (personal correspondence 23 June 1993). The AAPA has an important role in the compilation of these figures for the Commonwealth Grants Commission. The AAPA was formally approached about the expenditure, but declined to provide any further details (personal correspondence 21 June 1993).

**Table 18 Aboriginal Community Services expenditure in Western Australia, 1987–88 to 1991–92**

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<td></td>
<td>($000)</td>
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<tr>
<td><strong>Commonwealth Grants in Aid</strong></td>
<td></td>
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<td>Community infrastructure</td>
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<td>6,346</td>
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<tr>
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<td>0</td>
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<td><strong>Commonwealth Payments to State</strong></td>
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<td></td>
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<td>672</td>
<td>382</td>
<td>656</td>
<td>2,624</td>
<td>472</td>
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<tr>
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<td>796</td>
<td>404</td>
<td>1,514</td>
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<td>1,506</td>
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<tr>
<td>Homestwest</td>
<td>269</td>
<td>239</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Main Roads</td>
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<td>0</td>
<td>0</td>
<td>1,030</td>
<td>0</td>
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<td>1,570</td>
<td>1,585</td>
<td>1,727</td>
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<td>409</td>
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<td>Aboriginal Community Services</td>
<td>0</td>
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<td>0</td>
<td>3,134</td>
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<td><strong>Aboriginal communities</strong></td>
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<tr>
<td>Main Roads</td>
<td>61</td>
<td>716</td>
<td>936</td>
<td>1,367</td>
<td>889</td>
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<tr>
<td>Homestwest</td>
<td>269</td>
<td>239</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td><strong>Total Gross Expenditure</strong></td>
<td>10,517</td>
<td>15,332</td>
<td>18,339</td>
<td>21,946</td>
<td>25,699</td>
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<tr>
<td><strong>Total Net Expenditure</strong></td>
<td>10,517</td>
<td>15,332</td>
<td>17,864</td>
<td>21,712</td>
<td>24,851</td>
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</tbody>
</table>

Source: Commonwealth Grants Commission, unpublished data

What is revealing about this information is the very low commitment of Western Australian Government funds. Of total gross expenditure of $25,699 million in 1991–92, $12,082 million was based on ATSIC grants to Aboriginal organisations in
Western Australia and ATSIC grants to Western Australian government departments and agencies. That is, almost half of the expenditure recorded under this category was expenditure by the Commonwealth Government. This point was raised by ATSIC in its submission to the Commonwealth Grants Commission review of the general grant relativities (Commonwealth Grants Commission 1993a, vol 1, 64-5).

How much is spent on Aboriginal programs and services?

It is very difficult to establish the proportion of the Commonwealth general revenue assistance that the Western Australian Government, or any other State or Territory government, receives is based on the Government’s spending on Aboriginal programs and services. According to the Chairman of the Commonwealth Grants Commission (personal correspondence, 28 August 1991), factors associated with the Aboriginal population do influence the assessments in many of the categories of expenditure:

The most important factor, that resulting from differences in the social composition of the State’s populations, results in Aboriginals being given an extra needs weighting in sixteen functions of Government which, together amount to nearly 70 per cent of State and Territory recurrent expenditure.

These categories of expenditure include education, general medical services, family and children’s health services, child welfare and emergency welfare, police and administration of justice, and public safety (Commonwealth Grants Commission 1988, vol 3, 79).

In the Aboriginal Plan 1993, which is discussed in more detail in Chapter 8, the Western Australian Government estimated that the spending by eleven State departments and agencies on Aboriginal programs and services in 1992–93 was approximately $49 million (Western Australian Government 1993a, 20). This figure did not include spending by the Ministry of Education or the Health Department of Western Australia, although most of the spending on specific programs and services by these departments is funded by Commonwealth specific purpose payments. Some of the spending included in the Aboriginal Plan 1993 was also based on specific purpose payments from the Commonwealth Government.

From earlier estimates compiled by Arthur (1991), the level of spending by the Western Australian Government on specific Aboriginal programs and services appeared to be relatively insignificant. Total spending by the Western Australian Government on specific Aboriginal programs and services in 1990–91 was estimated to be only $36 million. Direct Commonwealth spending on Aboriginal programs and services in Western Australia, on the other hand, amounted to $202 million. No specific spending by local government on Aboriginal programs and services in Western Australia was identified (Arthur 1991). By way of comparison, the Northern Territory Government estimated that in 1990–91 its spending on Aboriginal programs and services was $302.5 million (Smith 1992, 6). For 1992–93 the Government estimated that the expenditure on health attributable to Aboriginal people in 1992–93 was $142.8 million (personal correspondence, 21 July 1993). However, these figures
are not directly comparable, since Arthur’s estimates, and those in the *Aboriginal Plan 1993*, were of ‘special allocations to Aboriginal programs and services’, whereas the Northern Territory figures included spending on mainstream programs (such as health). As in Western Australia, a large proportion of the mainstream spending was accounted for by spending on health services which were utilised by Aboriginal people ($81.4 million). The actual Aboriginal specific spending by the Northern Territory Government was estimated to be only $15.2 million (Smith 1992, 7).

The Independent Commission to Review Public Sector Finances also prepared some estimates. Some background to the Commission would be useful at this stage. It has recently become common practice for newly-elected conservative State Governments to undertake broad-ranging reviews of the financial situation of their States. The governments have argued that these reviews have been necessary to establish a framework for public sector reform, and to rectify the financial problems caused by their predecessors. It would be perhaps more accurate to suggest that the reviews have established the basis for the dismantling of large parts of the public sector. The two volume Report of the Independent Commission to Review Public Sector Finances, established by the Court Government, and otherwise known as the McCarrey Report, was published in June and August 1993. One chapter in the second volume was devoted to Aboriginal affairs.

The Commission’s Report included estimates of spending on Aboriginal affairs in the State. The information presented in the report needs to be treated with a certain degree of caution. The Commission estimated that total Commonwealth expenditure on specific Aboriginal programs and services in 1992–93 was $221.7 million. The AAPA estimated that a further $66.4 million was spent by the State Government on specific Aboriginal programs and services, taking total Aboriginal specific expenditure to $288 million. However the report also estimated expenditure by the mainstream government departments and agencies that was attributable to Aboriginal people to be $447 million. The calculation of this figure raises many contentious issues. For example, the figure included $66 million of spending by the Police Department, $70 million by the Department of Corrective Services and $6 million by the Crown Law Department. The figures were calculated by estimating the number of Aboriginal ‘clients’ of each of the departments and agencies. As the report noted, Aboriginal people constituted 54 per cent of all police custodies in the State, so it is not surprising that a large proportion of the expenditure of the police and criminal justice departments and agencies would be attributable to Aboriginal people. In a classic piece of understatement, the report noted:

> It should be recognised that to the extent that much of the expenditure listed relates to policing, hospitals and detention, it does not contribute to social and economic advancement (Independent Commission to Review Public Sector Finances 1993, vol 2, 269).

Apart from expenditure on police and prisons, expenditure by the Health Department attributable to Aboriginal people was estimated to be $160 million, expenditure by the Department for Community Development, $70 million, and Homeswest and the
Aboriginal Housing Board, $25.2 million. Given the type of expenditure that is included in these estimates, it is hard to disagree with the Commission that a large part of the government expenditure that is attributable to Aboriginal people over the past decade has been ‘wasted’. The Commission did not address the question of who was ‘wasting’ this money, but it could hardly be said that it has been ‘wasted’ by Aboriginal people.

More recently, the Minister for Aboriginal Affairs, in answer to a question in the Legislative Council about State Government grants for ‘Aboriginal purposes’, stated that such grants had only commenced in 1985–86, and in the 8 years period to 1992–93 the grants had amounted to $65.7 million. Included in this figure were $20 million of payments from the AAPA to SECWA and WAWA for the maintenance of power and water services in remote Aboriginal communities. Some of the grants were to Aboriginal organisations (Legislative Council, Parliamentary Debates, 7 September 1993, 3238). By way of comparison, ATSIC’s total program spending in 1991–92 in Western Australia was $114 million. That is, ATSIC grants in one year in Western Australia were almost twice the level of the grants made by the State Government in eight years.

Most of these estimates of State Government spending on Aboriginal programs and services, contentious as they are, suggest a lower level of spending by the Western Australian Government than the Northern Territory Government. An important question is why the Northern Territory Government can afford the relatively high levels of per capita spending. While the Government receives much higher levels of per capita funding based on the Commonwealth Grants Commission assessments, it needs to argue its case in relation to disabilities in order to receive these higher levels of funding. It appears that the Northern Territory Government was able to commit significant resources to the delivery of services to remote Aboriginal communities because of the relatively generous financial arrangements negotiated under the terms of the 1978 Memorandum of Understanding with the Commonwealth Government. The provisions of the agreement determined the framework for the funding received by the Northern Territory after self government in 1978, until the Northern Territory was fully incorporated into the distribution of financial assistance as assessed by the Commonwealth Grants Commission. Since the Grants Commission’s assessments are based on averages of expenditure over a (previous) five year period, the Northern Territory Government has been able to maintain its relatively high levels of per capita spending because of high levels of expenditure in the past. In the Memorandum of Understanding, there were two important statements. One guaranteed that the then existing level of service provision would continue:

The Commonwealth has given an assurance that Commonwealth assistance to the Northern Territory will be sufficient to maintain standards of service at an overall equivalent to that presently provided ... (Commonwealth Grants Commission 1979, 33).
The other referred to the funding for Aboriginal programs and services, and it noted that by the late 1970s spending on Aboriginal affairs was already a significant component of government spending in the Northern Territory:

Overall responsibility for policy planning and co-ordination in respect of Aboriginal affairs will remain with the Commonwealth Government which may provide finance for special measures to assist the Aboriginal people of the Northern Territory as appropriate. However, a considerable part of present expenditure in the Territory on various other functions which are to be transferred is directed towards Aboriginals in that a relatively high amount per capita is spent on them (Commonwealth Grants Commission 1979, 42).

The impact of the financial agreements can be seen in the per capita payments of Commonwealth financial assistance to the Northern Territory. In the first financial year after self government, 1979–80, the per capita funding of the Northern Territory Government was $3,880, compared with the figure for Western Australia of $984 and the average for the six States of $779. By 1983–84 the Northern Territory per capita funding level had risen to $6,154 while the Western Australian figure was $1,400 and the six State figure was $1,182 (Commonwealth of Australia 1983, 117). Clearly the Northern Territory Government has benefited from relatively high levels of per capita spending for almost fifteen years.

The Western Australian Government, on the other hand, has not accepted that it has any significant responsibility to the Aboriginal population of the State, and hence its level of spending has always been relatively low. The spending it has undertaken on Aboriginal programs and services has largely been funded by grants and other payments from the Commonwealth Government. Since any spending financed by such payments is discounted by the Commonwealth Grants Commission, the Western Australian Government has never received the level of per capita payments for Aboriginal programs and services that the Northern Territory Government has negotiated. One important consequence is that ATSIC has had to spend part of its relatively limited resources on programs and services that should be the responsibility of the Western Australian Government.

Submissions by Aboriginal organisations to the Commonwealth Grants Commission inquiry

The 1993 review of the distribution of Commonwealth funding between the States and Territories by the Commonwealth Grants Commission was unusual in that a number of Aboriginal organisations prepared submissions. Part of the reason for the submissions from the Aboriginal organisations was the belief amongst sections of the Aboriginal population that most of the funding the State and Territory governments receive from the Commonwealth Government for Aboriginal programs and services is in some way diverted to other non-Aboriginal uses. There is also a strongly held view by some Aboriginal people that although the State and Territory governments (and sometimes the Commonwealth Government) claim that they are spending
considerable amounts of money on Aboriginal programs and services, in fact few of these programs and services actually benefit those Aboriginal people most in need.

In the final report of the Grants Commission, one chapter was devoted to the effect of the Commission's assessments on the Aboriginal population. Even though the chapter contained no recommendations, the fact that the issues of service delivery and the form of government spending on Aboriginal programs and services were highlighted by the Grants Commission gives additional impetus to the national debate about these issues. As the Commission noted:

Much of what was proposed falls outside the responsibility of the Commission, and if taken up by governments would have important implications for the present system of general revenue grants (Commonwealth Grants Commission 1993a, vol 1, 63).

ATSIC's submission reflected its view that the State and Territory governments have a legitimate role in the delivery of programs and services for Aboriginal people. In ATSIC's words, there is a 'shared responsibility' for delivering programs and services to Aboriginal people. ATSIC's primary intention seemed to be to ensure that there is more information about the spending by State and Territory governments on programs and services for Aboriginal people, and that there is more accountability by these governments for this spending. Much of ATSIC's submission was based on the recommendations contained in the report endorsed by the Australian Aboriginal Affairs Council in April 1991, and the National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders, which was endorsed by the Council of Australian Governments in December 1992. A discussion of these documents is included in Chapter 9.

In general, ATSIC's submission did not envisage any significant change in the present pattern of inter-governmental financial arrangements relating to Aboriginal people. Nationally, ATSIC's position has been that the State and Territory governments should have a significant role in service delivery, particularly the operational aspects of service delivery. However, more recently the ATSIC Chairperson suggested that perhaps the inter-governmental financial arrangements might need to be considered. Presumably any new arrangements would still be within the guidelines established by the AAAC Report and the National Commitment. In a keynote address to the conference on 'Aboriginal Peoples, Federalism and Self Determination' in Townsville in August 1993, Ms O'Donoghue stated that:

We believe that the processes by which the States receive general revenue grant assistance needs to be overhauled to enable a proper assessment of needs, particularly essential service and infrastructure needs, in Aboriginal communities. There must be a more targeted needs-based assessment process and, above all, accountability provisions so that resources provided on the basis of assessed need is directed effectively and appropriately to meeting that need (O'Donoghue 1993b).
More accountability by State and Territory governments for their spending is a matter that would receive widespread support, particularly given the financial debacles of most of the State and Territory governments during the 1980s. However, it is not immediately clear how more accountability for spending will in itself contribute to improved service delivery, greater Aboriginal control over service delivery and over program development. In fact, the Northern Territory Government has cynically used the debates about public accountability to claim that its record in Aboriginal affairs is unequalled because more than $300 million of its spending is attributable to Aboriginal people. Similarly, the Commonwealth Budget Related Paper, Social Justice for Indigenous Australians, which documents Commonwealth spending on Aboriginal programs and services each year, has been used by some critics to claim that too much money is spent on Aboriginal people. It would not be unreasonable to suggest that many of ATSIC’s senior staff are totally obsessed with accountability and financial performance. Why this is so is not clear, although the criticisms of spending on Aboriginal programs and services by senior politicians and other public commentators during the late 1980s probably produced this over-reaction from the administrative arm of ATSIC.

In direct contrast to the submission prepared by ATSIC, submissions were prepared by the Central and Northern Land Councils for the Commonwealth Grants Commission. In summary, the submissions argued that the Commonwealth should fund Aboriginal communities, or some Aboriginal organisations, as though they were another level of government. The funding assessments would be undertaken by the Commonwealth Grants Commission. This would require, as the Commission suggested, a major change in the present pattern of financial payments.

The Commonwealth Grants Commission assesses the financial requirements of each State and Territory government to deliver a standard range of services to their constituent populations. These assessments include provision for spending by these governments on Aboriginal programs and services. This includes both specific programs and services, as identified for example in the Aboriginal Community Services category, or spending for the benefit of Aboriginal people through mainstream programs. The Land Councils argued that there is no guarantee that the programs and services will actually be delivered to Aboriginal people, and even if they are, the programs and services might, for one reason or another, be inappropriate. As the Commission itself noted, fiscal equalisation applies to capacity, not performance. Fiscal equalisation also applies to governments, not to individuals or regions within a State or Territory. The present system of inter-governmental financial arrangements, although firmly based on a principle of equity between individuals, does not necessarily result in equity between individuals. The determination of the latter is affected by many factors, not the least the policy decisions made by each State and Territory government.

The submissions of the Central and Northern Land Councils argued that a change in the pattern of distribution of financial arrangements was necessary to ensure equity for Aboriginal people, particularly those living in the more remote areas. This could
be achieved by funding Aboriginal communities, or regions of Aboriginal land, or certain Aboriginal organisations, directly, rather than the Commonwealth funding the State and Territory governments to deliver services to Aboriginal people. The Land Councils' submissions argued that this type of arrangement would be more consistent with the recommendations of the Royal Commission into Aboriginal Deaths in Custody and the report of the House of Representatives Standing Committee on Aboriginal Affairs, *Our Future Our Selves* (1990). The Grants Commission summarised the relevant recommendations of these reports in volume II of its final report (Commonwealth Grants Commission 1993a, vol 2, 481–4). The Standing Committee noted that:

> It is arguable that the major constraint on the autonomy of Aboriginal organisations, irrespective of their structure, relates to funding. If organisations have only sufficient funds to meet the provision of essential services and are obliged to work within the confines of pre-determined policy, then the fact that they are empowered to do so is of little consequence ... organisations need greater discretion over available funding in order to allow Aboriginal people to design their services and determine their own priorities (Housing of Representatives Standing Committee on Aboriginal Affairs 1990, 93).

The Standing Committee recommended: 'The Commonwealth, in conjunction with the States and Territories, develop proposals for implementing a system of block grant funding of Aboriginal communities and organisations'.

Similarly, Commissioner Johnston in his *National Report* of the Royal Commission, made the following recommendations, significantly in the chapter 'The path to self-determination':

> That the Commonwealth Government, in conjunction with the State and Territory Governments, develop proposals for implementing a system of block-grant funding of Aboriginal communities and organisations and also implement a system whereby Aboriginal communities and organisations are provided with a minimum level of funding on a triennial basis.

> That the Commonwealth Government, in conjunction with the State and Territory Governments, develop means by which all sources of funds provided for or identified as being available to Aboriginal communities or organisations wherever possible be allocated through a single source with one set of audit and financial requirements but with the maximum devolution of power to the communities and organisations to determine the priorities for the allocation of such funds (Johnston 1991, vol 4, 21).

Clearly, this is a very complex issue, and the submissions of the Land Councils argued that the Commonwealth Government should direct the Commonwealth Grants Commission to establish an inquiry to investigate:

- how fiscal equalisation could be applied to Aboriginal communities, Aboriginal local governing bodies, and Aboriginal service organisations

95
• how a system of block funding could be introduced in the context of the current multiplicity of funding sources which involve different levels of government

• how the relative needs of the communities could be assessed

• the extent to which block funding should be extended to cover the range of services provided to communities

• what should be done about funding for regionally provided services such as health, legal aid and resource agencies

• what financial management, administrative and accounting practices would need to be implemented as part of any move to block funding (Commonwealth Grants Commission 1993a, vol 1, 66).

The Grants Commission's response to this suggestion was:

Though it would be a departure from what the Commission has done in recent years, there is a precedent of a sort in the inquiries into local government which the Commission carried out in the 1970s, before the establishment of local government grants commissions in the States (Commonwealth Grants Commission 1993a, vol 1, 67).

In fact there are other inquiries that are perhaps of more relevance to the situation facing many Aboriginal communities.

The Cocos (Keeling) Islands inquiries

The Land Councils were aware that the Commonwealth Government had instructed the Commonwealth Grants Commission to undertake a similar type of review with respect to the Cocos (Keeling) Islands. The Cocos (Keeling) Islands became a non-self-governing Australian Territory when the sovereignty of the islands from transferred from the United Kingdom to Australia on 23 November 1955. On 6 April 1984 the Cocos Malay people voted for integration with Australia in an Act of Self Determination, witnessed by the United Nations. At the time the Commonwealth Government provided the following undertaking:

As has been the practice in relation to other communities, the Australian Government would have an obligation to raise the Cocos Malay services and standard of living to Australian levels; as part of this commitment Australia would continue to help the community examine ways of broadening the Islands' economic base by developing alternative industries and measured aimed at greater self-sufficiency. It is the intention that this will be achieved as soon as possible, commensurate with the availability of resources from both Government and the community but in not more than 10 years (Commonwealth Grants Commission 1986, 1).

At first sight the affairs of a small community in the Indian Ocean 2,800 kilometres north-west of Perth may appear to have little relevance to Aboriginal communities in Australia. However, there are some strong similarities between the two situations, and
some important differences in the way the Commonwealth Government has approached the problems and future of the two groups. The fact that the population of the islands could make an Act of Self Determination under United Nations auspices is particularly significant. Many Aboriginal people have argued that they have never been offered such an opportunity, despite the Commonwealth Government’s stated policy of self determination for Aboriginal people. It is of course not without significance that the Commonwealth Government had, and still has, a strong defence motive in ensuring that the Cocos (Keeling) Islands became, and now remain, part of Australia’s jurisdiction.

The 570 residents of Home Island have cultural traditions that are quite distinct, based on Malay and Islamic traditions. The 150 residents of West Island are mainland-Australian based employees, most of whom are government employees and their families. Their incomes and general standard of living were in the early 1980s well above that of the Cocos Malay population (Commonwealth Grants Commission 1989, 11–12). Like many of the Aboriginal communities, the long-term residents of the Cocos (Keeling) Islands were experiencing a range of difficulties, including limited formal employment opportunities, poor infrastructure and relatively high costs due to the remoteness of the islands.

The Commonwealth Grants Commission’s First Report on Cocos (Keeling) Islands Inquiry was published in May 1986, following a reference from the Commonwealth Special Minister of State. The terms of reference of the inquiry were:

Identify and report on the principles, methodology and procedures for a review to be undertaken in 1989 of (i) the relationship to Australian levels of the services and standard of living enjoyed by the residents of the Cocos (Keeling) Islands; of (ii) the measures then necessary to ensure that the services and standard of living meet Australian levels by 1994; and noting that the Government has in mind that the standard of a comparable community in another remote Australian location might be appropriate, report at an early date on a suitable standard, having regard to the Government’s broad commitment to achieve, within ten years, the raising of services and standard of living to Australian levels (Commonwealth Grants Commission 1986, 4).

The Commonwealth Government considered that the application of the principle of fiscal equalisation was appropriate in the circumstances, taking account of the fact that ‘most decisions relating to the range and level of the services to be provided are ultimately the province of the Commonwealth’. However, the actual responsibility for determining the levels of the services provided was to remain with the Commonwealth Government (Commonwealth Grants Commission 1986, 7). The Commission noted that in previous inquiries it had not been required to make comparisons of the standard of living, but that in this inquiry the Government had requested the Commission to take account of both the standard of living and government services. The Commission decided that to determine how the standard of living could be comparable with other remote Australian communities, it would take account of the range and quality of public services; demographic characteristics;
Aboriginal people in the economy of the Kimberley region

cultural and social characteristics; the level of taxes and charges; the social security benefits available; employment opportunities; productivity and the pattern of employment; wage and money income levels; the cost of living; the quality of housing and related services including water supply and sewerage; and the quality of the environment including facilities for recreational, educational and information services.

A key issue in the Commission’s deliberations was the point of comparison for living standards. What community or town represented the standard for the levels of services and the standard of living of remote communities? The Commission’s view was that West Island, which was predominantly occupied by government employees, was an appropriate comparison. The Commission considered whether an appropriate reference point could be mainland Aboriginal communities, and commented:

In other places, such as some Aboriginal communities, the standards of the services may be lower, but this is a reflection of the desire of the Aboriginal people to manage their own affairs in their own settlements, out-stations and other emerging communities (Commonwealth Grants Commission 1986, 12).

One of the recommendations of the Commission’s First Report was that the then Department of Territories prepare appropriate documentation specifying the range and level of services that would be required on Home Island by 1994, including three-year programs detailing the targets for each of the years 1986–87 to 1988–89. The Commonwealth Government had already committed itself to a $10 million program for replacing sub-standard housing in 1984, which was finalised in 1991–92.

The Second Report of the Grants Commission, published in 1989, was more comprehensive, and included a series of recommendations relating to the legal, social and economic framework, employment and incomes, government works and services, taxation, and council finances. In relation to the financing of the Cocos (Keeling) Islands Council, the Commission recommended that the Council should receive the equivalent of the Commonwealth general purpose grant received by other local authorities in Australia. The finance should reflect the fact that the range of services the Council was required to perform was wider than that of most mainland authorities. Further, the Council should be eligible for financial assistance under relevant specific purpose programs (Commonwealth Grants Commission 1989, xv). It is also interesting that the Commission suggested that it should have an ongoing role of monitoring the development of the level of services and standard of living on Home Island in the years 1989–94, and that an inquiry be established in 1993.

The financial arrangements applying to the Islands have been primarily determined within the political and legal framework decided by the Commonwealth Government in 1990. The Commonwealth’s position was outlined in a response to the report of the House of Representatives Standing Committee on Legal and Constitutional Affairs, Islands in the Sun, which had recommended

the Commonwealth ensuring, consistent with human rights considerations and Australia’s international obligations, that the local culture and traditions of the
Cocos Malay community continue to be taken into account, foster the development of further self-government in the Territory ... (House of Representatives Standing Committee on Legal and Constitutional Affairs 1991, 93).

The Commonwealth’s position was:

In its 1990 decision, the Government adopted the principle that only municipal powers equivalent to Western Australian local government will be extended to the Cocos Council until the question of the Islands’ future constitutional status is addressed (Commonwealth of Australia 1991, 14).

Many of the recommendations of the Grants Commission’s 1989 review were included in a Memorandum of Understanding Relating to the Achievement of Mainland Equivalent Living Standards and Levels of Services on the Cocos (Keeling) Islands, which was signed by the Prime Minister, the Chairman of the Cocos (Keeling) Islands Council, and the Chairman of the Cocos Islands Co-operative Society Ltd on 7 March 1991. The Council is now assessed by the Western Australian Local Government Grants Commission, and receives untied general purpose assistance grants. In regard to capital works, the Commonwealth Government agreed that it would fund the upgrading of the electricity supply generators, the construction of a powerhouse, and the upgrading of the distribution system; school extensions and the construction of a day care/pre-school centre; the upgrading of the waste disposal and water supply facilities; the construction of a fire station; the installation of telephone system; and the upgrading and sealing of roads on Home Island.

A third report was published by the Commonwealth Grants Commission in 1993. In some respects this report is more detailed than the two previous reports, partly because the Commission was asked to report on progress which had been made since the 1989 report, particularly in terms of living standards and the implementation of the Memorandum of Understanding. In general, the Commission assessed that although much had been done to improve the level of services to the Cocos Malay people since 1984, the standard of living was well below Australian standards and the gap may have widened since 1989 (Commonwealth Grants Commission 1993b, 51). The Commission noted that the most important long-term influence on the standard of living of the population is the level and type of employment. It is interesting that the Commission argued:

In general terms, we think that the schemes presently operated by the Commonwealth to assist the Aboriginal and Torres Strait Islander peoples should be examined to see whether they, or adaptations of them, could be suitable policies for promoting the future economic development of Cocos (Commonwealth Grants Commission 1993b, 54).

Even though there are obvious cultural differences between the population of the Cocos (Keeling) Islands and Aboriginal communities, the key points to arise from the previous discussion can be summarised. The Cocos Malay population of the Islands was able to freely exercise its right to self determination, and as a result of the decision of the population of the Islands to incorporate as part of Australia, the Commonwealth entered into agreements with the local community regarding funding,
service provision and infrastructure. The Commonwealth Government committed itself to a ten year program to improve the living conditions and standard of services on the Islands. The Commonwealth Grants Commission played an important role in assessing the financial and other requirements of the Islands’ population. Although formal Western Australian local government arrangements have been implemented for the Islands, all future options for the constitutional development of self government in the Islands have been kept open by the Commonwealth Government. The Cocos (Keeling) Islands are in some respects unique, however, there have been other areas where the Commonwealth Government has been prepared to enter into binding commitments regarding the future of a cultural minority group living in a very remote location.

The Christmas Island situation

Christmas Island is located 2,620 kilometres north-west of Perth in the Indian Ocean, and has a population of about 1,350. Ethnically the population is 66 per cent Chinese, 20 per cent European and 14 per cent Malay. In 1984 the Commonwealth Government approved development of a staged integration package involving the establishment of local government and the extension of mainland rights and benefits. The Island is now administered by the Christmas Island Shire Council. As with the Cocos (Keeling) Islands, the laws of Western Australia and relevant Commonwealth laws were applied to Christmas Island following the proclamation of the Territories Law Reform Act on 30 June 1992. This was the Government’s legislative response to the report *Islands in the Sun*, which had recommended that the outdated colonial legal regimes be replaced with the laws of Western Australia.

In March 1992 the Parliamentary Standing Committee on Public Works received a reference in relation to the Island’s infrastructure rebuilding program. As the Committee noted, in a statement that could be applied to the infrastructure condition of many Aboriginal communities:

Much of the essential infrastructure on Christmas Island for the delivery of government services is in a run down condition and does not meet mainland Australian health and safety standards. The Committee agrees that there is a need to bring the Commonwealth-owned and managed infrastructure on Christmas Island for the delivery of government services up to mainland Australian standards as soon as possible (Parliamentary Standing Committee on Public Works 1992, 11).

During his speech on the tabling of the Committee’s report, the Chairman, Mr Hollis, commented:

It is not an understatement to say that the Committee was shocked, when it carried out inspections prior to the public hearings, to observe the appalling state of most of the infrastructure for the provision of government services on Christmas Island. In particular the Committee was struck with the incredibly run-down condition of
the hospital and the completely inadequate sewerage and water supply systems

Federal Cabinet had already agreed to provide $37 million over five years
(subsequently increased to $42 million in the 1992–93 Budget) for the most urgent
capital works, including a new and upgraded sewerage system and water supply, a
new hospital, a new police station, upgraded housing, and extensions to the school.
However, the total rebuilding program was estimated to cost $132.85 million over a
ten year period, in two five-year stages of $65 million. The Committee’s
recommendations included the establishment of a pilot plant to assess the feasibility
to alternative energy systems by the Department of Arts, Sport, Environment and
Territories; the sealing of the roads; and the development of a comprehensive strategy
for addressing the housing situation, and incorporating in this strategy training
programs for local workers.

Conclusion

The Commonwealth Government has been prepared to enter into long-term financial
commitments to improve the physical infrastructure and living conditions of remote
communities, even if the cost was substantial and the populations were relatively
small. These commitments have included more than financial expenditure, however,
as the general frameworks developed for the Government’s relationship with the
populations of the Cocos (Keeling) Islands and Christmas Islands clearly demonstrate.
Is the only reason that the Government was prepared to enter into the long-term
arrangements with the Cocos (Keeling) Islands and Christmas Island, and not
Aboriginal communities, because of the defence interest the Government has with
these islands, and not because of any particular commitment to self determination?

At the present time, there appears to be little likelihood of any change in the inter-
governmental financial arrangements that might benefit Aboriginal communities.
Obviously the State and Territory governments would be vehemently opposed to any
changes which reduced their funding and their own policy flexibility. At the
Commonwealth level, since ATSIC is the Government’s primary source of advice on
Aboriginal policy issues, and ATSIC has another policy agenda based on the National
Commitment, it is unlikely at this stage that the Grants Commission will be asked to
undertake the review suggested by the Land Councils. Indeed, apart from ATSIC’s
emphasis on negotiating bilateral agreements with the States and Territories
consistent with the National Commitment, direct block funding of Aboriginal
communities and organisations would reduce ATSIC’s role. In fact, the creation of
ATSIC and its structure of regional councils and Commissioners, has in some respects
complicated the situation even further. ATSIC has become the filtering mechanism
for advice to governments on Aboriginal affairs issues. It has become very difficult
for Aboriginal communities and organisations to directly approach governments over
the broader funding questions and about issues such as self government.
However, it is important to note that one of Australia’s most respected public finance academics has supported some of the arguments put forward by the larger Northern Territory Land Councils. Professor Mathews was critical of the paternalism of past government approaches, and has argued for the negotiation of forms of Aboriginal self-government:

Aboriginal policy in Australia is still determined by non-Aborigines with very little input from the Aboriginal people. Programs and services directed to Aborigines are still administered by non-Aborigines with little Aboriginal involvement ... The financing of Aboriginal self-government is not an issue because funds for Aboriginal programs and services are already in place in Commonwealth, State and Territory budgets. The mechanisms to determine appropriate levels of Aboriginal funding are also well established in the fiscal equalisation arrangements operated through the Commonwealth Grants Commission. Instead of initiating negotiations directed towards enabling Aborigines to take over responsibility for their own affairs, Australian governments continue to adopt a paternalistic approach (Mathews 1993, 17).

Summary

Australia has a federal system of government, and about 70 per cent of Australia’s taxation revenue is collected by the Commonwealth Government. Because the Commonwealth only accounts for less than half of all government spending in Australia, the Commonwealth makes payments to each of the State, Territory and local governments. In 1992–93 Western Australia received 10.4 per cent of the total Commonwealth payments to the States and Territories.

Western Australia received $1,838 for every person in the State from the Commonwealth Government, compared with $1,435 for New South Wales and $1,489 for Victoria.

Total net Commonwealth funding of Western Australia in 1992–93 was $3,013 million, which represented 41 per cent of the Western Australian public sector’s total spending of $7,402 million.

The Commonwealth Grants Commission has made recommendations on the distribution of part of the Commonwealth funding to the States and Territories. Its assessments are based on providing funding to each State and Territory to enable their governments to deliver a standard range of services to all people living in the State or Territory.

There is a national debate about how these funds are being distributed, and there has been pressure from the New South Wales and Victorian governments to reduce the per capita funding of the other States and Territories.

The Western Australian Government prepares submissions for the Commonwealth Grants Commission, to argue its case for Commonwealth
Commonwealth funding of the WA Government

funding. Part of these submissions deal with Aboriginal issues. In many categories of expenditure the Western Australian Government claims that the socio-economic characteristics of the Aboriginal population impose higher costs on the State Government in service delivery.

As a result, part of the funding received by the Western Australian Government is for Aboriginal programs and services. The actual expenditure of these funds is determined by the Western Australian Government. The Government has estimated that its Aboriginal specific spending in 1992–93 was $66.4 million. The Government’s spending on mainstream programs and services attributable to the Aboriginal population was $447 million, including $70 million by the Department of Corrective Services and $66 million by the Police Department.

In comparison with Queensland and the Northern Territory the Western Australian Government’s expenditure on specific Aboriginal programs and services appears to be low, both in total and on a per capita basis. Most of the Government’s expenditure has been funded by Commonwealth grants and ATSIC grants. This is particularly obvious in the provision of some essential services to remote Aboriginal communities.

A number of Northern Territory Aboriginal organisations also prepared submissions for the Commonwealth Grants Commission. These organisations argued that the present system of financial arrangements should be modified. Instead of the Commonwealth funding the State and Territory governments to delivery programs and services to Aboriginal people, the Commonwealth should directly fund Aboriginal organisations and communities to deliver these services. The Commonwealth Grants Commission would have a major role to play in assessing the funding requirements of these organisations and communities.

The Commonwealth Grants Commission has previously played such a role in relation to the Cocos (Keeling) Islands. If a change in the financial arrangements for Aboriginal communities were to be introduced these funding arrangements could underwrite the development of Aboriginal self government.
CHAPTER 5

SPECIFIC PURPOSE PAYMENTS FROM THE
COMMONWEALTH GOVERNMENT TO THE WESTERN
AUSTRALIAN GOVERNMENT

Introduction

The untied general revenue assistance from the Commonwealth is only part of the Commonwealth funding received by the Western Australian Government. In 1992–93 the Western Australian Government received $1,580 million of specific purpose funding from the Commonwealth, which represented 52 per cent of the total net Commonwealth payments to Western Australia. The main categories of specific purpose payments to Western Australia were education ($605 million); health ($400 million); social security and welfare ($36 million); housing and community amenities ($114 million); roads ($169 million); and local government ($122 million) (Commonwealth of Australia 1993d, A-31 to A-37).

The general policy position of the Western Australian Government with respect to Aboriginal people has been that services, to the extent that they are provided, will be undertaken by the mainstream service delivery agencies. Some financial support is provided to Aboriginal organisations for the delivery of services, but the policy of mainstreaming service delivery dominates the Government’s approach. In discussing the specific purpose payments, at least two issues arise. The first is the extent to which the Commonwealth provides specific purpose payments to the Western Australian Government for Aboriginal-specific programs. For example, to what extent does the Commonwealth, as part of the specific purpose payments for education to Western Australia, provide funding for Aboriginal-specific education programs and services? The second issue is how do policies such as the National Aboriginal Education Policy and the National Aboriginal Health Strategy impact on the pattern of Western Australian Government spending on Aboriginal programs and services. More details of the expenditure of the State Government on health and education are included in Chapter 8.

Specific purpose payments for Aboriginal programs and services

Details of specific purpose grants received from the Commonwealth by the Western Australian Government are published in the Western Australian budget papers and Treasurer’s Annual Statements. The programs shown in Table 19 are only those which are obviously specific Aboriginal programs. Under some other categories of payments
it is possible that Aboriginal minor or less obvious specific purpose payments have been made. These figures do not include ATSIC State grants to the Western Australian Government.

Table 19 Specific purpose payments received by the Western Australian Government for Aboriginal programs and services, 1991–92 and 1992–93

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal education</td>
<td>5,005,100</td>
<td>5,483,000</td>
</tr>
<tr>
<td>Employment, vocational education and training</td>
<td>2,991,500</td>
<td>2,920,000</td>
</tr>
<tr>
<td>Aboriginal alternative dispute resolution project</td>
<td>30,613</td>
<td>59,387</td>
</tr>
<tr>
<td>Aboriginal employment and career development</td>
<td>409,976</td>
<td>569,488</td>
</tr>
<tr>
<td>Aboriginal police relations</td>
<td>0</td>
<td>220,780</td>
</tr>
<tr>
<td>Teachers in Aboriginal schools program</td>
<td>23,067</td>
<td>673</td>
</tr>
<tr>
<td>Training for Aboriginals program</td>
<td>87,258</td>
<td>25,100</td>
</tr>
<tr>
<td>Aboriginal employment and career development</td>
<td>409,976</td>
<td>0</td>
</tr>
<tr>
<td>National employment strategy for Aborigines</td>
<td>5,440</td>
<td>0</td>
</tr>
<tr>
<td>Aboriginal housing</td>
<td>15,862,000</td>
<td>15,862,000</td>
</tr>
<tr>
<td>Aboriginal Education Supplementary Assistance Act</td>
<td>274,000</td>
<td>563,896</td>
</tr>
<tr>
<td>Remote area program for Aborigines</td>
<td>0</td>
<td>12,969</td>
</tr>
<tr>
<td>National Aboriginal Health Strategy</td>
<td>0</td>
<td>203,250</td>
</tr>
<tr>
<td>Aboriginal advancement program — police</td>
<td>0</td>
<td>41,000</td>
</tr>
<tr>
<td>Total Aboriginal specific purpose payments</td>
<td>25,098,930</td>
<td>25,961,543</td>
</tr>
</tbody>
</table>


Specific purpose payments for Aboriginal education

The largest of the specific purpose payments to the Western Australia Government were for education ($561 million in 1991–92 and $605 million in 1992–93). In 1991–92 the specific purpose payments to Western Australia included $6.6 million for Aboriginal education, almost 19 per cent of the national total of these payments for Aboriginal education, and $7.9 million in 1992–93, 15.7 per cent of the national figure. Of course Aboriginal children can benefit from mainstream expenditure by the Western Australian Government on schools throughout the State. The estimated expenditure by the Ministry of Education for the whole State on Aboriginal children was, however, only $17 million (Independent Commission to Review Public Sector Finances 1993, 269). Since the estimated expenditure was based on the number of Aboriginal students, the figure demonstrates how minimal the Government’s commitment has been to educating Aboriginal children. It also demonstrates how few Aboriginal children are actually attending school in the State.
The Commonwealth Government has put considerable emphasis in recent years on Aboriginal education. This was largely in response to the findings of the Royal Commission into Aboriginal Deaths in Custody. As the Minister for Aboriginal and Torres Strait Islander Affairs commented in his second reading speech on the Aboriginal Education (Supplementary Assistance) Amendment Bill:

The poor levels of educational achievement recorded in the cases examined by the Royal Commission are an apt reflection of the level of education participation by Aboriginal and Torres Strait Islander people generally. Of the 99 cases investigated by the Commission, 40 of those who died had not proceeded beyond primary school and only two had completed secondary schooling. For far too long the education system did not offer Aboriginal and Torres Strait Islander people a place and provided no recognition of the richness of Aboriginal culture and history, and the importance of contemporary issues as they affect Aboriginal and Torres Strait Islander people (Parliamentary Debates, House of Representatives, 14 October 1992, 2161–2162).

Table 20 Commonwealth specific purpose payments to States and Territories for Aboriginal education, 1991–94

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New South Wales</td>
<td>4,852</td>
<td>10,588</td>
<td>10,588</td>
</tr>
<tr>
<td>Victoria</td>
<td>2,950</td>
<td>3,569</td>
<td>3,570</td>
</tr>
<tr>
<td>Queensland</td>
<td>5,112</td>
<td>13,985</td>
<td>13,985</td>
</tr>
<tr>
<td>Western Australia</td>
<td>6,561</td>
<td>7,869</td>
<td>7,869</td>
</tr>
<tr>
<td>South Australia</td>
<td>5,950</td>
<td>6,306</td>
<td>6,306</td>
</tr>
<tr>
<td>Tasmania</td>
<td>1,089</td>
<td>971</td>
<td>971</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>10,013</td>
<td>9,283</td>
<td>9,283</td>
</tr>
<tr>
<td>ACT</td>
<td>267</td>
<td>379</td>
<td>379</td>
</tr>
<tr>
<td>TOTAL</td>
<td>36,794</td>
<td>52,950</td>
<td>52,951</td>
</tr>
</tbody>
</table>

Source: Commonwealth of Australia 1993d

The National Aboriginal and Torres Strait Islander Education Policy (AEP) was endorsed by the Commonwealth, State and Territory governments in 1990. The program includes a commitment by the Commonwealth to supplement its normal provisions of recurrent and capital funding for education with a dedicated commitment of funds on a triennial basis. In the first triennium 1990–92 the Commonwealth provided $214 million under the Aboriginal Education Strategic Initiatives Program, and the second triennium involves an increase in expenditure to $241 million. Although the payments to the States and Territories amounted to $57.2 million, the actual spending by the Commonwealth Government under the program was $76.9 million in 1992–93. Not all of the spending under the amended legislation
Specific purpose payments from the Commonwealth Government to the WA Government

has been in the form of grants to the State and Territory governments. Payments have also been made to non-government school systems, Aboriginal educational institutions and Aboriginal education consultative bodies. To counter the possibility that the State and Territory governments might reduce their funding commitments as a result of increased Commonwealth funding commitments, the AEP includes provisions that the State and Territory governments will maintain their existing funding.

Commonwealth-State Housing Agreement

Almost two-thirds of the specific purpose payments for Aboriginal programs and services to the Western Australia Government have been the payments for Aboriginal housing under the Commonwealth-State Housing Agreement (CSHA). In 1992–93 the Northern Territory and Western Australian Governments received almost 40 per cent of the total funding by the Commonwealth for Aboriginal rental housing (excluding the funding provided by ATSIC). Their share of the national funding, until the 1993–94 financial year, was considerably above the proportion of the total Aboriginal population which lives in Western Australia and the Northern Territory (30.6 per cent).

Table 21 Commonwealth-State Housing Agreement payments to the States and Territories, 1991–94

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aboriginal</td>
<td>Other</td>
<td>Aboriginal</td>
</tr>
<tr>
<td></td>
<td>Housing</td>
<td>Housing</td>
<td>Housing</td>
</tr>
<tr>
<td></td>
<td>($ million)</td>
<td>($ million)</td>
<td>($ million)</td>
</tr>
<tr>
<td>New South Wales</td>
<td>17.8</td>
<td>309.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Victoria</td>
<td>3.6</td>
<td>232.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Queensland</td>
<td>25.2</td>
<td>147.6</td>
<td>25.2</td>
</tr>
<tr>
<td>Western Australia</td>
<td>15.9</td>
<td>85.6</td>
<td>15.9</td>
</tr>
<tr>
<td>South Australia</td>
<td>8.3</td>
<td>81.9</td>
<td>8.3</td>
</tr>
<tr>
<td>Tasmania</td>
<td>0.7</td>
<td>34.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>19.5</td>
<td>28.1</td>
<td>19.5</td>
</tr>
<tr>
<td>ACT</td>
<td>0.0</td>
<td>17.8</td>
<td>0.0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>91.0</td>
<td>1,028.2</td>
<td>91.0</td>
</tr>
</tbody>
</table>

Source: Commonwealth of Australia 1993d

There have been a number of recent developments which are likely to impact on the pattern of these payments. The first arises from the Commonwealth’s work on the development of the National Housing Strategy. The Commonwealth Government initiated the development of the Strategy in June 1990 in order to examine Australian
housing needs and housing policy. In August 1991 a discussion package on Aboriginal and Torres Strait Islander housing was published, which raised funding as a key issue. It noted that funds for Aboriginal housing have been applied both through the CSHA and ATSIC. Both programs had operated with two separate advisory and consultative mechanisms. ATSIC has generally directly funded Aboriginal housing organisations and community councils, while the State and Territory governments have generally expended the funds through their housing departments or authorities. An option that was raised in the discussion package was to channel the CSHA funds through ATSIC. However, it was noted that if this were to be done, 'there are some serious questions about the subsequent responsibility and commitment of State and Territory governments for Aboriginal housing programs' (National Housing Strategy 1991, 28).

The ATSIC Commissioners at their meeting in March 1992 supported the channelling of the CSHA Aboriginal Rental Housing Program funds through ATSIC. In September 1992 the Housing Ministers' Conference established a Working Group to examine the issue. One of the issues raised by some members of the Working Group was that the ATSIC regional councils apparently did not accord housing a sufficiently high priority. There was concern that if the CSHA funds were to be channelled through the regional councils, then there could be reduced spending on housing. ATSIC's view was that, at least initially, $50 million of funding would be excluded from the regional council budgets in 1993–94. This would be administered as a national program, subject to the negotiation of agreements with the State and Territory governments, and consistent with the priorities of the regional councils.

It is not clear what the substantive role of the regional councils would then be under such a scenario. Indeed, it appears that many regional councillors are asking themselves precisely this same question (Bandaral Ngadu Regional Council 1993; Jayida Buru Regional Council 1993). It is interesting that although governments have identified the obvious deficiencies of Aboriginal housing and infrastructure in many parts of Australia as a major problem, and have committed considerable financial resources to addressing the problems, the same degree of priority does not necessarily seem to have been accepted by many regional councils.

**Western Australian, Queensland and Northern Territory Government spending on Aboriginal housing**

The Northern Territory received a higher aggregate level of funding under the Commonwealth-State Housing Agreement for Aboriginal housing than Western Australia. Indeed, the Northern Territory Government received more Commonwealth funding for Aboriginal housing than for general public housing in 1992–93. However, there is a very much larger difference in the expenditure by the two governments than the above figures would suggest. However, analysing the information is not an easy task, since there are different figures for the spending in different government documents.
Aboriginal housing programs in Western Australia are administered by the Aboriginal Housing Board, which reports to the Minister for Housing. The Board was established in 1978, and is comprised of Aboriginal people from various parts of the State. As Commissioner Dodson commented, 'The AHB however was not given any real power and there is little evidence to suggest it has had any influence on SHC/Homeswest policy' (Dodson 1991, 607).

Commissioner Dodson's report on housing is scathing of the activities of Homeswest, and the attitudes of some of its staff. Despite the increasing use of phrases like self determination by governments, the evidence presented to the Royal Commission suggested that Homeswest was continuing to operate on the basis of assimilationist ideas. It was not without significance that most of the Aboriginal people who died in custody were described as 'homeless' (Dodson 1991, 610).

The Aboriginal rental housing funding is administered by the State Housing Commission (Homeswest). According to Homeswest, in 1991–92 expenditure on Aboriginal housing was $15.3 million, of which $8.4 million was for the construction of houses in urban areas, and $3.9 million for expenditure on housing in remote areas of the State (Homeswest 1992, 13). This represented the expenditure of the State's Commonwealth-State Housing Agreement allocation for Aboriginal rental housing. No other funding would appear to have been committed by the Western Australian Government for Aboriginal rental housing in this year.

One of the problems with analysing the expenditure figures is that part of the expenditure in one financial year is on housing works in progress from the previous financial year. For example, spending in 1992–93 on Aboriginal rental housing was budgeted to increase to $19.7 million, compared with the actual expenditure of $12.7 million in 1991–92. Actual expenditure was $8.8 million on works in progress from the 1991–92 financial year, and $8.2 million on completed works. In 1993–94 the budgeted expenditure will be $6.5 million on works in progress and $10.1 million on new housing (Western Australia, Budget Paper No 4 1993–94, 122). These figures suggest that the Western Australian Government's actual expenditure is only slightly in excess of its payments from the Commonwealth Government under the Commonwealth-State Housing Agreement.

Spending on Aboriginal housing and associated community infrastructure by the Northern Territory Government in 1991–92 was $27.3 million, of which $18.5 million was spent on housing in remote communities, $5 million was spent on housing in town camps, and $3 million was spent on land servicing. In addition, approximately 17 per cent of the Housing Commission's general housing stock was occupied by Aboriginal people in 1991–92 (Northern Territory Housing Commission 1992, 8). In 1992–93 expenditure on Aboriginal housing and associated infrastructure was $26.2 million. In both financial years the actual expenditure was well in excess of the CSHA payments. Expenditure was budgeted to rise to $27.5 million in 1993–94.

The question that immediately arises from these figures is whether the situation in the Northern Territory is unusual, or whether Western Australia is out of step with the
other States and Territories. From an examination of the expenditure by the Queensland Government, it is difficult to arrive at a definite conclusion. The Queensland budget papers show that in 1991–92 budgeted receipts under the CSHA for Aboriginal housing were $26.2 million, although actual receipts from the Commonwealth were only $10.3 million. The estimated receipts in 1992–93 were $42.2 million, but the actual receipts were only $30.2 million (Queensland, Treasurer’s Financial Statements, 1991–92, 1992–93). It is not clear why the level of Commonwealth CSHA payments in both years was so much less than the estimated level. There is no explanation for the discrepancy in the 1991–92 Annual Report of the Department of Family Services, Aboriginal and Islander Affairs. Indeed, the Report gives the impression that the program carried on as normal during the year. Budgeted expenditure on Aboriginal housing in 1991–92 was $45.1 million and $42.2 million in 1992–93. In 1993–94 expenditure on Aboriginal rental housing was budgeted to be $34.55 million, including $25.1 million for the construction and acquisition of rental housing, $6.5 million for the purchase of land, and $3 million for the upgrading of the existing Aboriginal rental housing stock. Figures for the actual government expenditure on Aboriginal housing do not appear to be published by the Queensland Government, although figures on the number of houses constructed or under construction are provided. In 1991–92, 86 houses were built using a predominantly Aboriginal and Torres Strait Islander workforce in various locations in the State, and a further 104 houses were constructed in remote Aboriginal communities by community councils. In 1992–93, 271 dwellings were built or commenced in 52 Aboriginal communities. For 1993–94 the construction program was budgeted to provide for the construction of 52 houses in urban areas and to enable the Aboriginal and Island councils to construct 100 houses.

Certainly in contrast to the Northern Territory Government, there appears to be only a minimal commitment by the Western Australian Government of its own-source funds to Aboriginal housing. One explanation could be that the need for expenditure on Aboriginal housing is less in Western Australia than the Northern Territory. This is not easily determined, since there is no general agreement as to what is an appropriate level or range of services. In regard to essential services, for example, the Northern Territory Government has developed standards of service provision for remote Aboriginal communities. The guidelines provide for different levels of service provision depending primarily on the size of the communities and the length of time that they have been established. Although obviously there might be some disagreement about the appropriateness of these guidelines, at least the Government has considered the issue. As Arthur has suggested, it appears that the Western Australian Government has made little effort to undertake these types of assessment, with the exception of spending on roads (and this only relatively recently) and education (Arthur 1991, 4). However, a recent report prepared by the Main Roads department, in conjunction with ATSIC and the AAPA, did specify standards for access roads to Aboriginal communities, and quantified the financial requirements of upgrading the existing roads to these standards (Main Roads Western Australia 1992a).
In order to estimate the need for expenditure on housing and community infrastructure, ATSIC commissioned Australian Construction Services to undertake a national survey. The survey found that the estimated cost of constructing and repairing houses in non-urban Aboriginal communities was $1,429 million. The estimated required expenditure in the Northern Territory was $459.5 million, almost 35 per cent of the national total for the non-urban areas. The figures for Queensland were $383.3 million (26.8 per cent) and Western Australia $259.5 million (18.2 per cent) (Australian Construction Services 1992a).

While Western Australia has, in total for the non-urban Aboriginal population, a relatively lower level of required expenditure, at current levels of expenditure in both States and the Northern Territory there will be virtually no impact on the backlog. If all of the present spending on Aboriginal housing of these governments was spent on Aboriginal housing in non-urban areas, it would still take 16 years to overcome the present requirements in Western Australia and the Northern Territory, and 9 years in Queensland. This of course takes no account of the very considerable urban Aboriginal populations, the relatively rapid deterioration of the present housing stock, and the high rate of growth of the Aboriginal population.

Other findings of the survey were that of the 890 communities surveyed, 302 communities, with a population of 14,029 people, had water for consumption that did not meet national guidelines. The Northern Territory was the worst affected (222 communities with 8,207 people), but Queensland, Western Australia and South Australia were also seriously affected. The survey identified 134 communities as being without a sewerage disposal system, with 94 outstations in the Northern Territory and 22 in Western Australia affected.

However, it is important to note that spending on Aboriginal housing and community infrastructure is not the sole responsibility of the State and Territory Governments. ATSIC has a major role in funding the provision of housing and community infrastructure in Aboriginal communities throughout Australia. This is dealt with in Chapter 9.

Summary

The Western Australian Government received $1.6 billion of specific purpose payments from the Commonwealth Government in 1992–93. The two largest categories of these payments were for education ($605 million) and health ($400 million).

Included in the payments were specific purpose payments for Aboriginal programs and services, primarily for Aboriginal education ($8.4 million) and Aboriginal housing ($15.9 million).
The payments for Aboriginal programs and services, however, represented a small proportion of the total payments to the State. Most of the service delivery for Aboriginal people undertaken by the Commonwealth is directed through ATSIC, the Department of Social Security, the Department of Employment, Education and Training, and other departments and authorities.

When these specific purpose payments are added to the untied general revenue assistance the Commonwealth’s funding of the Western Australian Government is quite substantial. A key problem for Aboriginal people is, however, that even though the Western Australian Government does undertake some expenditure which benefits Aboriginal people, most of this expenditure appears to be funded by the specific purpose payments from the Commonwealth Government.

In relation to Aboriginal housing, for example, the Western Australian Government does not appear to commit any funds to Aboriginal housing other than those received under the Commonwealth-State Housing Agreement. This is in contrast to the situation in the Northern Territory.
CHAPTER 6

SPECIFIC PURPOSE PAYMENTS FROM THE COMMONWEALTH GOVERNMENT TO THE WESTERN AUSTRALIAN GOVERNMENT: THE FUNDING OF LOCAL GOVERNMENT

Introduction

Western Australia is covered by a shire system of local government. The shire councils undertake a range of municipal services, and were responsible for expenditure of $591 million in 1991–92. Rates, fees and fines accounted for about 64 per cent of total revenue of the shire councils, and grants for 28 per cent (Australian Bureau of Statistics 1993b). There are wide variations between shire councils in different areas of the State. Shire councils in the non-urban areas are in general much more reliant on funding from grants than councils in the urban areas which have larger rate bases. Part of the specific purpose payments received by the Western Australian Government from the Commonwealth Government is payments for local government. The methodology by which these funds are distributed by each of the State and Territory governments must be approved by the Commonwealth Minister for Local Government.

Funding under the Local Government (Financial Assistance) Act

Each State and Territory government receives local government funding from the Commonwealth Government under the Local Government (Financial Assistance) Act. Commonwealth local government funding distributed to the State and Territory governments in 1992–93 was $1,079 million and $1,085 million in 1993–94. The Commonwealth distributes these funds between the States and Territories on an equal per capita basis, and has done so since 1989–90. There is therefore a significant difference between the way the Commonwealth distributes the general revenue assistance to the State and Territory governments, which incorporates the principle of fiscal equalisation, and the way it distributes local government funds to these governments. This method of distribution is contentious, particularly following the Report on the Interstate Distribution of General Purpose Grants for Local Government by the Commonwealth Grants Commission in 1991. This report illustrated how different methodologies could be applied to the distribution of local government funds that would redistribute the funds from New South Wales and Victoria to the other States and the Northern Territory. Understandably, given the political sensitivities of local government, the Commonwealth has refused to change,
to any significant degree, the existing methodology. The Commonwealth Minister for Housing, Local Government and Community Services announced another review of the distribution of Commonwealth local government funding in July 1993. Significantly, however, the review will not consider the total level of funding available under the program or the methodology for the distribution between the States and Territories.

Table 22 Distribution of general purpose financial assistance for local government between States and Territories, 1991–94

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<tr>
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<tbody>
<tr>
<td></td>
<td>($ million)</td>
<td>($ million)</td>
<td>($ million)</td>
<td>($ million)</td>
<td>($ million)</td>
<td>($ million)</td>
</tr>
<tr>
<td>New South Wales</td>
<td>247.3</td>
<td>255.3</td>
<td>255.9</td>
<td>93.6</td>
<td>96.4</td>
<td>96.7</td>
</tr>
<tr>
<td>Victoria</td>
<td>185.9</td>
<td>190.8</td>
<td>190.5</td>
<td>66.5</td>
<td>68.4</td>
<td>68.7</td>
</tr>
<tr>
<td>Queensland</td>
<td>124.0</td>
<td>128.9</td>
<td>131.2</td>
<td>60.5</td>
<td>62.2</td>
<td>62.5</td>
</tr>
<tr>
<td>Western Australia</td>
<td>69.6</td>
<td>70.9</td>
<td>71.3</td>
<td>49.3</td>
<td>50.8</td>
<td>51.0</td>
</tr>
<tr>
<td>South Australia</td>
<td>61.1</td>
<td>62.5</td>
<td>62.4</td>
<td>17.7</td>
<td>18.3</td>
<td>18.3</td>
</tr>
<tr>
<td>Tasmania</td>
<td>19.3</td>
<td>20.2</td>
<td>20.1</td>
<td>11.9</td>
<td>17.6</td>
<td>17.7</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>6.7</td>
<td>7.2</td>
<td>7.2</td>
<td>3.6</td>
<td>7.8</td>
<td>7.8</td>
</tr>
<tr>
<td>ACT</td>
<td>12.2</td>
<td>12.5</td>
<td>12.7</td>
<td>10.3</td>
<td>10.8</td>
<td>10.7</td>
</tr>
<tr>
<td>Total</td>
<td>726.1</td>
<td>748.2</td>
<td>751.2</td>
<td>313.6</td>
<td>332.0</td>
<td>333.4</td>
</tr>
</tbody>
</table>

Source: Commonwealth of Australia 1993d

In addition to the financial assistance payments, local government also received $510.5 million of direct payments in 1992–93, including payments for aged and disabled persons’ homes and hostels, handicapped persons’ assistance, children’s services, the aerodrome local ownership plan, and local capital works. Shire councils in Western Australia received $50.7 million of these funds. The Commonwealth Government also made $449.6 million of specific purpose payments to the State and Territory governments which were passed on to local authorities in 1992–93. These payments were for programs such as Home and Community Care, community housing and flood mitigation.

The Western Australian Local Government Grants Commission is responsible for assessing how the general purpose financial assistance payments from the Commonwealth Government are to be distributed between each of the shire councils in Western Australia. That is, in 1992–93 the Commission was responsible for making assessments for distributing the $121.72 million of local government funding received from the Commonwealth by the Western Australian Government. The allocation of funds in 1992–93 was based on a three year average of revenue and expenditure in the years 1988–89 to 1990–91. The Local Government Grants Commission does not decide the total amount to be distributed for the State as a whole, since this has already been determined by the Commonwealth Government. The Commission is
required to distribute these funds to ensure that each council has the financial capacity to deliver a standard range of services to the population living in the area of each council. However, this funding is untied, and there is no requirement for each council to spend these funds in any specified way. The priorities for the expenditure of the funds are determined by each shire council.

In 1992–93 the four shire councils in the Kimberley region received a total of $6.5 million of grants. This represented about 5.4 per cent of the total payments (including local road grants) to all shire councils in Western Australia. The Kimberley shire councils received 6.6 per cent of the financial assistance grants. However, the Kimberley shires only include about 1.85 per cent of the total population of Western Australia. The Kimberley region councils received a considerably higher level of funding on a per capita basis than the average for the State as a whole. The average per capita funding of the Kimberley shire councils was $262.44 in 1992–93, compared with the average for the all councils in the State of $74.50. The reason for the higher level of per capita funding for the Kimberley shires is that the Local Government Grants Commission takes account of certain disabilities, or extra costs, that the councils in remote areas of the State experience. By way of comparison, the former Shire of Wiluna, which until recently was one of the largest and most remote shires in Western Australia, received an even higher level of per capita funding than the shires in the Kimberley region ($589.39 per capita in 1992–93). Table 23 compares the funding for the shire councils in the Kimberley region with the funding of some Aboriginal local governing bodies in the Northern Territory.

**Table 23 Local government funding of selected local governing bodies, Western Australia and Northern Territory, 1991–92 and 1992–93**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome</td>
<td>1,467,385</td>
<td>1,514,045</td>
<td>191.17</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>1,726,483</td>
<td>1,841,875</td>
<td>245.98</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>1,168,243</td>
<td>1,202,697</td>
<td>402.11</td>
</tr>
<tr>
<td>Wyndham–East Kimberley</td>
<td>1,904,743</td>
<td>1,961,288</td>
<td>304.36</td>
</tr>
<tr>
<td>Wiluna</td>
<td>1,091,358</td>
<td>1,179,951</td>
<td>589.39</td>
</tr>
<tr>
<td>Total State</td>
<td>120,427,071</td>
<td>121,720,509</td>
<td>74.50</td>
</tr>
</tbody>
</table>

Selected NT local governing bodies:

- Galiwin’ku: 517,034, 725,849, 493.44
- Meningrida: 471,236, 733,612, 513.37
- Ngulu: 627,395, 750,633, 620.36
- Yugul Mangi: 496,477, 799,714, 728.34
- Yuendumu: 404,758, 537,580, 582.43

Average for Northern Territory: 198.70

All four shires in the Kimberley region have relatively large Aboriginal populations (see Table 1). Some care needs to be taken with the per capita figures, since there is a degree of unreliability in population figures of remote Aboriginal communities. However, they do provide a broad indication of the differences in the levels of per capita funding.

The calculation of Grants Commission disabilities and the Aboriginal population

In its calculations of the untied grants to be paid to the shire councils, the Western Australian Local Government Grants Commission takes account of 25 expenditure functions of local councils, including general administration, sanitation and refuse, town planning and regional development, roads and bridges, and swimming pools. For some of these categories of expenditure, the Local Government Grants Commission accepts that the social and economic characteristics of the Aboriginal population can impose additional costs, or disabilities, on the shire councils. The two measures of this disability are Population Dispersion and Social Composition. According to the Grants Commission, Population Dispersion recognises the increased expenditure due to the duplication of services and increased travelling and communication costs. This is particularly relevant where a local government has more than one large urban area. Social Composition recognises the additional costs to a local government of providing services to Aboriginal and ethnic populations (personal correspondence, 12 January 1993).

The disability allowances for each category of expenditure are shown in Table 24 for the four shire councils in the Kimberley region. It is of interest that the disability factors were relatively small. For example, the figure of 1.05 means that the Local Government Grants Commission recognised an additional cost of only 5 per cent on top of the final standard allowance for that classification. For example, under General Administration for Derby—West Kimberley, total standardised expenditure was $350,000, and the disability allowance for social composition was 1.05 (5 per cent). This provided an additional allowance of $17,500, which was then scaled down by about 56 per cent for the available funds ($9,800).

In general, the Local Government Grants Commission considers submissions from each of the councils. If a council is not delivering direct services to all of the Aboriginal population of the shire, then the council will generally not prepare a submission for the Grants Commission, and no disability factor will need to be calculated. Fletcher has suggested that this has happened with some councils which have found the difficulties and costs of servicing some remote communities such that they have argued for a reduced service requirement.

On more than one occasion local government officials in shires with a relatively large Aboriginal population claimed that diminishing funds from the state might be more desirable than having to deliver services or maintain roads in remote Aboriginal communities (Fletcher 1992b, 84).
Commonwealth funding of local government

If a council prepares a submission to seek additional funding, then the Local Government Grants Commission is required to assess the council's request. Given the overall policy stance of the Western Australian Government towards the funding of Aboriginal programs and services, it would be rather surprising if the Commission, which is comprised of non-Aboriginal people, was sympathetic to the needs of Aboriginal people, particularly those people living in remote areas of the State. More specifically, according to the Local Government Grants Commission (personal correspondence, 26 February 1993):

... the dispersed communities have not been given any weighting by the Grants Commission because the Commission has in the past taken the view that the remote Aboriginal communities are often located on Crown or private land and are not serviced by the local government authorities.

An example of a council suggesting that the Aboriginal population imposed additional costs was the Shire of Derby—West Kimberley, which requested a disability factor weighting of 1.35 under Other Community Services. The Council argued that the large Aboriginal population of the town increased the cost of maintaining the public toilets (Shire of Derby—West Kimberley 1991).

The final row of Table 24 shows the disability allowances calculated in dollar amounts. The actual application of the disability factors resulted in larger amounts, but these figures were scaled down to the actual amount of funds available to be distributed. In this case, the raw calculations were scaled down by a figure of 0.5615. For example, the disability allowance calculation for the Shire of Broome resulted in a figure of $55,147, which when scaled resulted in the final disability figure of $30,965. This figure, which was included in the 1992–93 grants (excluding roads funding) of $1,066,903, was a recognition of the additional costs to the shire council resulting from the social composition of the population and the dispersion of the population.

Of course, this was not the only funding received by the shire councils to provide some level of services to the Aboriginal population. In all of the shires the Aboriginal population is a substantial proportion of the total shire population and the total funding assessments for the shires are strongly influenced by the population. In general terms, since approximately 45 per cent of the population of the region is comprised of Aboriginal people, and the shires also receive some additional funding because of certain disability factors that are affected by the Aboriginal population, then approximately $3 million of the general purpose funding of the shires in the Kimberley region could be attributed to the Aboriginal population. There are numerous qualifications on such a figure, but the calculation provides a rough guide to the amounts of funding that could be involved.
Table 24 Disability allowances for Population Dispersion and Social Composition for shire councils in Kimberley Region, 1992–93

<table>
<thead>
<tr>
<th></th>
<th>Broome</th>
<th>Derby–West Kimberley</th>
<th>Halls Creek</th>
<th>Wyndham–East Kimberley</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Population Dispersion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General administration</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.10</td>
</tr>
<tr>
<td>Education and welfare</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td>Health</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td>Sanitation and refuse</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td>Other community Services</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td>Other recreation and sport</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td>Libraries</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td>Building control</td>
<td>1.00</td>
<td>1.05</td>
<td>1.00</td>
<td>1.15</td>
</tr>
<tr>
<td><strong>Social Composition</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General administration</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
</tr>
<tr>
<td>Education and welfare</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Other community services</td>
<td>1.00</td>
<td>1.15</td>
<td>1.15</td>
<td>1.00</td>
</tr>
<tr>
<td>Other recreation and sport</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
<td>1.05</td>
</tr>
<tr>
<td><strong>Actual $ value</strong></td>
<td>30,965</td>
<td>31,466</td>
<td>17,730</td>
<td>28,482</td>
</tr>
</tbody>
</table>


Funding for roads

Chapter 8 includes some discussion of the expenditure on roads in the region. This section is primarily concerned with the distribution of untied funding for roads to the shire councils. Since the Special Premiers’ Conference in October 1990 local roads funding from the Commonwealth to the State and Territory governments has been untied. Although the funding is separately identified as road funding, there is no requirement on individual councils to use the funds for roadworks. The funds are now paid as part of the local government general purpose grants, rather than under the Commonwealth’s Australian Land Transport Development Act. These payments were included in the figure of $331.8 million in 1992–93 in Table 22.

In Western Australia, the untied funding from the Commonwealth for shire councils for roads amounted to $50.7 million in 1992–93. Included in this figure was $3.58 million for special projects, part of which was for expenditure on access roads to Aboriginal communities. This represented 7 per cent of the total local government road funds. The proportion was determined by a committee comprised of the Western Australian Municipal Association, the Country Shire Councils Association of Western Australia, the Main Roads department and the Western Australian Local Government Grants Commission.
The allocation for roads serving Aboriginal communities increased as a proportion of the total special projects funding, from 22 per cent in 1989–90 ($652,400) to 27.84 per cent in 1992–93 ($998,000). To some extent, however, the figures in Table 25 under-estimate the funding for these projects in 1991–92 and 1992–93, since a grant by the State Government under the main roads program was also allocated to these projects. This meant that the funding for the shire councils for roads serving Aboriginal communities was comprised of a Commonwealth grant of $998,000 and a grant of $499,000 from the Western Australian Government in 1992–93.

Although the Commonwealth grants are untied, the 7 per cent of special projects grants is intended to be allocated to shire councils for specific projects. However, there is no obligation on the shire councils to spend these funds for the specified purposes. The State Government grants are only paid if the specified projects proceed and the funding is requested by the shire council. The report on Access Roads to Aboriginal Communities noted that in 1991–92 the State Government grants were used ‘as a means of encouraging the application of Federal funding to these special projects’ (Main Roads Western Australia 1992a, 43). It should also be noted that the Aboriginal Affairs Planning Authority, in its comments on the draft report, suggested that the 7 per cent figure should be increased (Main Roads Western Australia 1992a, Appendix F).

Table 25 Commonwealth local road funding for special projects, 1989–90 to 1992–93

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>($</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads serving Aboriginal communities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broome</td>
<td>130,000</td>
<td>207,200</td>
<td>91,190</td>
<td>168,000</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>108,000</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>240,00</td>
<td>255,000</td>
<td>173,091</td>
<td>184,000</td>
</tr>
<tr>
<td>Wyndham–East Kimberley</td>
<td>80,000</td>
<td>120,000</td>
<td>138,233</td>
<td>96,000</td>
</tr>
<tr>
<td>Wiluna</td>
<td>182,400</td>
<td>119,000</td>
<td>125,048</td>
<td>138,000</td>
</tr>
<tr>
<td>Total (5 councils)</td>
<td>416,400</td>
<td>701,200</td>
<td>528,362</td>
<td>694,000</td>
</tr>
<tr>
<td>Total Western Australia</td>
<td>652,400</td>
<td>711,200</td>
<td>726,125</td>
<td>998,000</td>
</tr>
<tr>
<td>Other roads and bridges</td>
<td>2,314,900</td>
<td>2,459,800</td>
<td>2,799,620</td>
<td>2,586,497</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,968,000</td>
<td>3,171,000</td>
<td>3,525,745</td>
<td>3,584,497</td>
</tr>
</tbody>
</table>


A comparison with the Northern Territory is again quite useful. The funding for Aboriginal local governing bodies in the Northern Territory rose by $4.1 million in 1992–93 because of the distribution of ‘local road’ funding by the Northern Territory
Local Government Grants Commission to these bodies. In 1991–92 this funding, which was received by the Northern Territory Government from the Commonwealth Government, was allocated to the Department of Transport and Works. The Department then made decisions about the expenditure of these ‘local road’ funds. However, elsewhere in Australia local road funding was paid to shire councils through the grants commissions in each State. The Northern Territory Government was the exception in retaining the funding within the department responsible for roadworks. The Commonwealth Parliament passed the Local Government (Financial Assistance) Amendment Act in mid 1992 to require the payment of local road funds to all local governing bodies in the Northern Territory, consistent with the recommendations of the Royal Commission into Aboriginal Deaths in Custody (Parliamentary Debates, House of Representatives, 7 May 1992). These changes were made despite very considerable public opposition from the Northern Territory Government.

In Western Australia local roads funds are distributed to shire councils which include relatively large numbers of Aboriginal people, whereas in the Northern Territory these funds are now paid to local governing bodies which are controlled by Aboriginal people. The funding, which is untied, can be spent to directly benefit people living in these Aboriginal communities on Aboriginal land. There is no guarantee that the funds will be used to benefit Aboriginal communities in the shire councils in Western Australia. In fact, as a later section will demonstrate, there is evidence that very little of these funds, and other funds received by the shire councils, are spent to the direct benefit of many of the Aboriginal people living in the region. There are certainly some very high priority areas, including environmental health, where local government has been very reluctant to act.

**Summary**

Western Australian shire councils received $121.6 million of untied funding under the Commonwealth’s Local Government (Financial Assistance) Act in 1992–93, which was about 11 per cent of the national distribution.

The funding is distributed between shire councils in Western Australia based on assessments made by the Western Australian Local Government Grants Commission. The Grants Commission takes account of the disabilities some shire councils have in providing services to the Aboriginal population of the shire.

The four shire councils in the Kimberley region receive higher levels of per capita funding than the urban areas of the State, partly because of these disability factors. In 1992–93 they received average per capita funding of $254.50, compared with the average for the State of $76.71.
Commonwealth funding of local government

There is some evidence that the Western Australian Government is prepared to commit relatively small amounts of funding to maintenance of roads serving Aboriginal communities.

The argument put forward by the shire councils in the Kimberley region that they do not receive funding to provide direct services to Aboriginal people, particularly those living on land that is non-rateable, is not correct. The Local Government Grants Commission's assessments are based on the shire councils providing a range of services to all people living in the shire.

An important obstacle for Aboriginal people in the Kimberley region to obtain local government services, when compared with the situation in the Northern Territory or Queensland, is that none of the local government funding is directed towards Aboriginal-controlled shire councils or Aboriginal local governing bodies.
CHAPTER 7

SOME ASPECTS OF THE RELATIONSHIP BETWEEN ABORIGINAL PEOPLE AND LOCAL GOVERNMENT

Introduction

The relationship between Aboriginal people and local government has been problematic for many years. There has been a considerable amount of research undertaken on the issue, and numerous government reports in all States and Territories have made recommendations to improve the situation. The Royal Commission into Aboriginal Deaths in Custody was only the most recent inquiry to highlight many of the difficulties Aboriginal people face in obtaining access to services. Despite all of the problems that have been highlighted, and developments in other parts of Australia, local government seems to be as sacrosanct in Western Australia as it ever has been. Aboriginal people remain, in many respects, effectively marginalised from the activities of local government, and few shire councils consider that they have any obligation to deliver services to their Aboriginal constituents. However, the situation in Western Australia is complicated further by the all-pervasive influence of the Mining Act, which ‘takes precedence over land and local government statutes’ (Fletcher 1992a, 17).

The intention of this chapter is not to cover all of these issues again. It is designed to provide some information on recent developments in the relationship between Aboriginal people and local government in Western Australia following the publication of the reports of the Royal Commission into Aboriginal Deaths in Custody in 1991. Some of the issues were also very usefully addressed by Rumley and Rumley for the East Kimberley Impact Assessment Project (1988).

The situation in the Northern Territory and Queensland

There are no special arrangements for separate Aboriginal community councils in Western Australia, unlike the situation in the Northern Territory and Queensland. In the Northern Territory Aboriginal councils can be incorporated under the Local Government Act as community government councils, or as association councils under the Northern Territory Associations Incorporations Act or the Commonwealth’s Aboriginal Councils and Associations Act. These local governing bodies, provided they are approved by the Northern Territory and Commonwealth Ministers for Local Government, are eligible for local government funding under the Commonwealth’s
The relationship between Aboriginal people and local government

Local Government (Financial Assistance) Act. There are 59 local governing bodies in the Northern Territory which receive grants under the Local Government (Financial Assistance) Act.

A form of local government was extended to 14 former Aboriginal reserves in Queensland by the Community Services (Aborigines) Act 1984 which provided: 'for support, administrative services and assistance for Aboriginal communities resident in Queensland and for management of lands for use by those communities and for related purposes'. However, the legislation specifically disallowed electors of Aboriginal Community Councils from voting in elections for the shire council within which the Aboriginal community was situated. In the case of the communities on Cape York Peninsula, they were included in the Cook Shire Council, with the exception of Aurukun. The Act required that each trust area in the State be governed by an Aboriginal council which would discharge the functions of local government in that area. In practice, the councils were severely restricted in their activities, and controls over their finances were 'more akin to those for a government department than for legally constituted local government authorities' (Johnston 1991, vol 2, 555). The councils became the trustees of the land included in the Deeds of Grant in Trust (DOGIT), subject to the provisions of the Land Act (Aboriginal and Islander Land Grant) Amendment Act 1982. All of the Aboriginal councils are in northern Queensland and Cape York Peninsula, with the exception of Cherbourg and Woorabinda Councils. Seventeen Torres Strait Island councils were also established to govern DOGIT areas under the Community Services (Torres Strait) Act 1984. The total population of the 14 Aboriginal councils was estimated to be 13,470, and 4,027 of the Torres Strait Island councils (Electoral and Administrative Review Commission 1991, vol 1, 31–4). The Aboriginal and Torres Strait Island councils are assessed in the same manner as other shire councils by the Queensland Local Government Grants Commission, with only some slight differences in the calculation of their road funding entitlements.

Two shires were created for Mornington Island, in the Gulf of Carpentaria, and Aurukun on the western side of Cape York Peninsula, following the passage of the Local Government (Aboriginal Lands) Act in 1978. Given the infamous circumstances surrounding the creation of these shires, which are briefly summarised in the Federal Race Discrimination Commissioner's report Mornington (1993, 4–6), it could hardly be said that the Aboriginal people of these communities benefited from the Queensland Government's actions in introducing local government (see also Leveridge & Lea 1993).

A different and broader view of the funding of the Aboriginal and Island councils in Queensland has been provided in a report prepared by the Queensland Auditor-General. The Auditor-General's estimates of the income of the councils included the funding received by these councils from the Local Government Grants Commission, the CDEP scheme, housing funding, roads funding, as well as canteen sales and other income. The total income of the Aboriginal councils in Queensland in 1991–92 was $105.7 million, of which $48.7 million was CDEP funding, $17.53 million canteen
sales, and $4.98 million housing funding. Local government assistance (including road funding) amounted to $4.6 million. For the Torres Strait Island councils a similar picture emerges, with total income of $20.3 million being comprised of $10.7 million of CDEP funding, $1.4 million of housing funds, $2.7 million of canteen sales, and $3.3 million of local government funding (Queensland Auditor-General 1993, 3).

Table 26  Funding of Aboriginal councils in the Northern Territory and Queensland, 1991–92 and 1992–93

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Northern Territory</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Government Grants Commission</td>
<td>2,836</td>
<td>3,303</td>
</tr>
<tr>
<td>Office of Local Government</td>
<td>9,983</td>
<td>10,161</td>
</tr>
<tr>
<td><strong>Queensland</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Government Grants Commission</td>
<td>3,590</td>
<td>3,563</td>
</tr>
<tr>
<td>Department of Family Services, Aboriginal and Islander Affairs</td>
<td>13,637</td>
<td>15,798</td>
</tr>
<tr>
<td>Department of Housing, Local Government and Planning</td>
<td>2,115</td>
<td>n.a.</td>
</tr>
</tbody>
</table>


Although the report of the Auditor-General was critical of some of the accounting and financial records and practices of these councils, the presentation of the data in the Auditor-General’s report was inadvertently misleading. This is a particularly important issue because the report was subject to widespread public scrutiny, as the reporting in the Queensland media at the time the report was presented to Parliament clearly demonstrated. The information was misleading in that it exaggerated the apparent income of the councils. In fact 47 per cent of the total income of the Aboriginal and Island councils was comprised of CDEP payments, and 16 per cent was sales from the canteens in the communities.

CDEP payments are substitute citizenship payments, and should more properly be recorded as social security payments to individuals, not income of community councils. Non-Aboriginal councils are not required to include in their accounts the social security payments received by constituents in their local government area. The Auditor-General should have commented on the differences in the funding situation, since the information in the report makes it appear as though the Aboriginal and Island councils, and by implication, the Aboriginal people in the area of the council, have a much larger income on a per capita basis than other shire councils in the State. Similarly, there appears to be double-counting in the figures, since canteen sales are
largely comprised of the spending of CDEP payments by individuals. The canteen sales, with small exceptions, are not net additional income to the community.

In the context of concerns about the financial management of Aboriginal organisations expressed by the Queensland Auditor-General, it is important to present information that cannot be distorted. Much of the media in Queensland drew the implication from the report that tens of millions of dollars of ‘taxpayers dollars’ were being wasted by these councils. Perhaps this is indeed the case. But it needs to be remembered that these councils receive only relatively small amounts of local government funding, that the bulk of their income is comprised of citizenship entitlements which are not recorded in the accounts of other shire councils, and that the per capita incomes of most of the people living in these communities, and the services available to these people, are well below those enjoyed by other Australians.

There are undoubtedly significant constraints imposed on Aboriginal communities following the introduction of local government, as the reports of the Royal Commission into Aboriginal Deaths in Custody highlighted. However, notwithstanding these very real difficulties, Aboriginal and Torres Strait Islander Councils and Aboriginal local governing bodies receive significant financial assistance from the Northern Territory and Queensland Governments. In Queensland the Aboriginal and Torres Strait Islander Councils received more than $19.3 million in grants in 1992–93, and in the Northern Territory the Aboriginal local governing bodies received $13.5 million. In addition, other shire councils or local governing bodies in the Northern Territory and Queensland with significant Aboriginal populations were assessed by the Local Government Grants Commissions in relation to their disabilities associated with providing services to these people.

The Western Australian Aboriginal Communities Act

In Western Australia there are no arrangements for separate Aboriginal community councils. The Aboriginal Communities Act is primarily concerned with community law and order issues, particularly relating to alcohol. The legislation was designed to allow the introduction of by-laws which enable the community to control the sale and distribution of alcohol in Aboriginal communities. It was initially introduced in two Kimberley communities, La Grange and One Arm Point (Parliamentary Debates, Legislative Council, 24 April 1979, 604). During the second reading speech on the bill, one of the Labor Opposition speakers, Mr Grill, suggested that the legislation was the ‘first step along the road to a form of apartheid’, and was a return to a ‘paternalistic stance’. He went on to say:

I can see all sorts of ramifications as a result of having enclaves of persons all around the State in various areas with different laws prescribed by the persons involved ... It worries me that white people will say that if these rights are given to black people within a certain designated area, why are they not granted to a group of white people in another area (Parliamentary Debates, Legislative Assembly, 9 May 1979, 1272).
There are 28 Aboriginal communities that have been proclaimed under the Act, and 13 of these communities are in the Kimberley region. In the AAPA’s Annual Report 1991–92, and in the Aboriginal Plan 1993, references to the Act are under the heading Self Determination. However, Commissioner Dodson’s brief review of the legislation suggested that there were long delays in the processing of by-laws, resulting in considerable community frustration. There was perceived to be a lack of Government activity and no sense of urgency about proclaiming communities under the Act. One result was that communities, which had requested assistance to become ‘dry’, were forced to wait for years.

Apart from some individual Magistrates, no-one has seriously acknowledged, enhanced or sponsored the legitimate right of Aboriginal people to develop self-management legal process programmes for their own communities. Arguably increasing numbers of communities being drawn into the Aboriginal Communities Act are still suffering the same problem (Dodson 1991, 461).

A review of the operation of the legislation in the Kimberley region was commissioned by the AAPA in January 1992, and the final report was published in July 1992. The review commented on the role of the police in enforcing the by-laws, and the limited power given to Aboriginal ‘councils’ and people living in the communities to enforce the by-laws.

Overall, the community by-laws are not being enforced to their full potential and in some cases not at all ... Time and again, it was stressed by community members and councillors that they are not able to implement or enforce their by-laws adequately, as they lack the legislative power under the current terms of the Act to enforce the by-laws. Despite the original intention of the Act, enforcement is still the domain of a member of the Police force (McCallum 1992, vol 1, 7).

The review also commented on the scope of the Act, which bears directly on Aboriginal self-determination. The wording of parts of the legislation clearly reflects the approaches and language of Aboriginal affairs of the 1950s and 1960s. As in many other areas of policy, government in Western Australian seems to have been bypassed by developments in other parts of Australia. McCallum suggested that instead of the Aboriginal ‘councils’ enacting by-laws for the purpose of securing ‘good conduct’, the Act should be reworded to read securing ‘Peace, Order and Good Government’. While the writer’s comments in general throughout the report are sympathetic to the problems being experienced in many Aboriginal communities, this phrase is still rather outmoded. However, the review does recognise that expecting Aboriginal people to implement by-laws of this type without secure land tenure or land rights is unrealistic:

It would empower communities to control and regulate other matters such as mining, health, service delivery and a wide range of criminal offences which occur on community lands ... Without secure land tenure, Aboriginal communities are essentially prevented from imposing regulations in relation to these broader issues which affect the management and control of community lands (McCallum 1992, vol 1, 97).
This raises the important point of the role of this legislation. Many of Aboriginal people have expressed their wish to be able to control alcohol consumption in and near their communities, and many communities in the Northern Territory have declared themselves ‘dry’. However, the situation in the Northern Territory is in the context of land rights legislation, where Aboriginal people have a significant degree of control over their land and development on that land. In Western Australia, in the absence of such legislation, the Government’s alternative has been to control the ‘behaviour’ of Aboriginal people, and utilise the police force to implement the legislation (Western Australian Government 1992c, 29). There is apparently no connection made between certain types of social behaviour of some Aboriginal people and their lack of control over the behaviour of non-Aboriginal interests (including mining companies), and the lack of effective control over developments on their land. That is, although the explanation of the social problems in many Aboriginal communities is extremely complex, an important part of the explanation is that Aboriginal people in Western Australia have very little say over what happens in their communities, over access to their communities, and perhaps most importantly, the exploitation of their land by mining companies and other resource developers. Land rights legislation in itself will of course not eliminate these problems. However, as long as the Western Australian Government persists with policies based on controlling the ‘behaviour’ of Aboriginal people, which are backed by the resources of the police force and the legal system, then the social and economic problems of these people will, in all likelihood, show few signs of improvement.

The Project on Remote Aboriginal Communities and Local Government

In August 1989 the report of this project was completed, although it appears that it has never been officially released. The project was funded by the former Department of Aboriginal Affairs, and sponsored by the Western Australian Department of Local Government and the AAPA. The report identified a number of ‘structural options’ for remote Aboriginal communities, including the continuation of mainstream service delivery, the contracting-out of some services to remote communities, the establishment of community councils, and the establishment of regional Aboriginal organisations or groups of local councils. The report noted that none of these options, with the exception of the establishment of Aboriginal community councils, required legislative amendments. In fact, despite the options presented, the clear outcome of the report was an endorsement of the existing shire system. Service delivery to Aboriginal people would continue to be undertaken (or perhaps more correctly, not undertaken) by the mainstream local councils. This is clear from the following quote from the executive summary of the report:

Its central finding is that separate legislation is not required to provide appropriate structure for local government and Aboriginal communities. Rather that, with minor modifications, the existing legislation is sufficient to ensure the structural flexibility required to meet needs of these communities. By and large the present
law makes adequate provision for Aboriginal participation in local government and the equitable treatment of Aboriginal communities by local government (Wood 1989, 4).

The report did note that there had been interest expressed by some Aboriginal people towards the introduction of Aboriginal shire councils. However, the report concluded that this was ‘no longer the preferred option’ following the increased participation of Aboriginal people in local government elections (Wood 1989, 6). The report also included a number of recommendations for the formation of a committee to ‘ensure that participation and equity is guaranteed to Aboriginals within the State’, and for the development of policy statements and guidelines. It would not be an exaggeration to suggest that this report is shallow and unimaginative. This is perhaps the reason that the report has never been publicly released.

The Report on the Project on Remote Aboriginal Communities and Local Government in 1989 was followed in 1991 by another Government-commissioned study by Peter Alexander and Associates. The report of the Inquiry into Service and Resource Provision to Remote Aboriginal Communities in Western Australia is in some respects worse than the previous report on local government. It is badly written and disorganised. Some of the recommendations are better structured than those of the local government report, but it too was not publicly released by the Government. It is not clear what the cost of these inquiries and reports was, but many thousands of dollars must have been expended. The end result, from the Government’s perspective, has been a series of reports that talk about the need for equity in service provision, the need to establish new consultative mechanisms and advisory bodies, and little else.

The establishment of these inquiries, and the commissioning of the consultancies, effectively meant that the Government could avoid addressing the issues. This is not a situation that is unique to Western Australia. More often than not, when governments are pressed on a particular issue, they announce an inquiry or the appointment of a consultant. By the time the inquiry is completed, or the consultant has undertaken ‘consultation’, public concern with the particular issue has generally subsided, or been overtaken by other events. The Western Australian Government and the Aboriginal Affairs Planning Authority seem to have a well developed understanding of this technique. It was apparent in the responses of the Government to the recommendations of the Royal Commission into Aboriginal Deaths in Custody. For example, in response to one of the recommendations regarding service delivery the Western Australian Government stated that the Department of Local Government was proposing to conduct a research project on the level and nature of the provision of services by local government to Aboriginal people (Commonwealth of Australia 1992a, 768). One would have thought that after the millions of dollars spent on the Royal Commission, the Alexander Report, and the Project on Remote Aboriginal Communities and Local Government, that further research was unnecessary.

The Alexander report was subject to considerable criticism by Rolf Gerritsen, in a paper that appears to have been written at the request of another part of the Western Australian Government. Gerritsen made a number of important points about the role
of the AAPA and local government, and much of his criticism of the Alexander report’s simplified arguments and analysis is well justified. In regard to the AAPA, Gerritsen suggested that the report was designed to further the political agenda of the AAPA and to enhance its role. Gerritsen argued that the AAPA will:

... apply State-wide instruments and not be able to achieve the local flexibility and accountability resulting from local representation, as (for example) achieved by the ATSIC regional councils (Gerritsen 1992, 14).

However, Gerritsen’s critique was based on the view that the existing system of local government, in conjunction with the ATSIC regional councils, could be modified to provide more effective service delivery to Aboriginal people. Mainstreaming, he argued, can provide ‘a uniform standard of services’, and he was critical of moves to establish separate Aboriginal councils. But the approach is as naïve as that of Alexander, when Gerritsen concludes that there are ‘no serious barriers’ to more effective service delivery for Aboriginal people if ‘appropriate political will’ is present. Surely that is the problem at the moment. The priorities established by State and local government are inherently political decisions. Competition for resources between groups in the community is part of the political process. For most Aboriginal people, without effective bargaining power, their share of the existing resources is likely to remain small.

The Royal Commission into Aboriginal Deaths in Custody and local government

In some respects the same sort of criticism could be levelled at the Royal Commission. The Commonwealth Minister for Aboriginal and Torres Strait Islander Affairs announced to the United Nations Working Group on Indigenous Populations that the governments’ responses to the Royal Commission represented a historic achievement (Aboriginal and Torres Strait Islander Commission 1992d, 11). Certainly the Royal Commission resulted in some significant improvements in some areas. But in the politically contentious areas such as local government the responses from some of the State and Territory Governments represented little more than grand-sounding platitudes. However, at least the Commonwealth Government appointed an Aboriginal Social Justice Commissioner, within the Human Rights and Equal Opportunity Commission, to prepare an annual ‘state of the nation’ report on the implementation of the recommendations and the economic, social and cultural situation facing Aboriginal people. This position could provide a powerful impetus for change throughout Australia, particularly if governments, and notably the State and Territory governments, begin to realise that their actions in Aboriginal affairs are being scrutinised by other countries.

Commissioner Johnston’s National Report and Commissioner Dodson’s Western Australian reports discussed the problematic relationship between Aboriginal people
and local government in many parts of Australia. Commissioner Dodson made the following observations:

... Aboriginal people, despite being entitled to vote in Local Government elections since 1985 ... and also despite the fact that Aboriginal representatives have been voted onto Local Government councils in several areas throughout Western Australia ... are still effectively prevented from exercising their rights in relation to local matters, owing to the accumulation of historical, legislative and administrative discrimination ... Aboriginal communities frequently do not receive services, or if they do those services are at a far lower level than that provided to non-Aboriginal settlements by local government ... One of the most contentious issues with regard to Local Government is that of funding. Despite a number of myths which suggest that government agencies are not receiving money for the provision of services to Aboriginal people, it needs to be noted that money paid into Local Government comes from the [Local Government] Grants Commission. This money is based on the actual number of people within the Local Government area. Obviously, in many areas, that population contains a high number of Aboriginal people ... Aboriginal people do have the right to the provision of essential services such as power, water and sewerage. However, must they subsume aspects of their Aboriginality in that process by becoming part of 'mainstream' institutions? (Dodson 1991, 445–450).

Since Commissioner Dodson’s report did not contain any recommendations, it was left to Commissioner Johnston to make recommendations with respect to local government. The main recommendations are included in the chapters dealing with self determination. Some of these recommendations relate to States and Territories where there are Aboriginal local governing bodies, which is not the case in Western Australia. However, two of the key recommendations were:

Recommendation 198: That governments commit themselves to achieving the objective that Aboriginal people are not discriminated against in the delivery of essential services and, in particular, are not disadvantaged by the fact that the low levels of income received by Aboriginal people reduce their ability to contribute to the provision of such services to the same extent as would be possible by non-Aboriginal Australians living in similar circumstances and locations.

Recommendation 200: That the Commonwealth Government negotiate with the State and Territory Governments to ensure that where funds for local government purposes are supplied to local government authorities on a basis which has regard to the population of Aboriginal people within the boundaries of a local government authority, equitable distribution of those funds is made between Aboriginal and non-Aboriginal residents in those local government areas. The Commission further recommends that where it is demonstrated that equitable distribution has not been provided that local government funds should be withheld until it can be assured that equitable distribution will occur (Johnston 1991, vol 4, 38–9).

The Western Australian Government indicated that it supported both recommendations. In fact, the former Minister for Aboriginal Affairs, Judyth Watson, stated that the Government 'had implemented, was in the process of implementing or
The relationship between Aboriginal people and local government

had given full, qualified or ‘in principle’ support to all 339 recommendations’ (Western Australian Government 1992b). However, the detail of many of the Government’s responses provided no indication that there would be any meaningful improvements. The Western Australian Government’s response to the first recommendation was that its program of concessions and rebates assists low income earners; that since Homeswest’s housing eligibility is determined primarily by incomes, and since Aboriginal people generally have low incomes, they are not excluded from access to housing; and that Aboriginal communities in remote areas were meeting the costs of operating essential services through ATSIC, while the State was meeting the costs of repair and maintenance in major communities (Commonwealth of Australia 1992a, 757–8).

The Western Australian Government’s response to the second recommendation demonstrated how State Governments, when it is politically or financially convenient for them to do so, shift the responsibility back to the Commonwealth Government. The Western Australian Government has been doing this since the Commonwealth passed the Aboriginal Affairs (Arrangements with the States) Act in 1973. The State Government responded that there were no specific provisions in the Commonwealth’s Local Government (Financial Assistance) Act, or its own Local Government Act, that require an equitable distribution of funding between Aboriginal and non-Aboriginal communities. Further, there is ‘no power to withhold funding from a local government where it has been established that equitable distribution has not occurred’ (Commonwealth of Australia 1992a, 767–8).

In practice, the Commonwealth’s responses, when combined with those of the Western Australia Government, suggest that there will be only minimal improvements to the present, often deplorable, situation. The Commonwealth has not been prepared to introduce what it refers to as ‘social justice principles’ into its own legislation for distributing local government funds between the States and Territories. Consequently the State Government has continued to argue that it cannot change the way the funds are distributed to local councils, and the way these funds are spent by the councils. The end result has been continuing service deficiencies for many Aboriginal people, and additional costs to ATSIC.

The importance of revenue from rates

The payment or non-payment of shire council rates has been an important and contentious issue in the debate about the delivery of services to Aboriginal people by local government in many areas of Australia. For example, the New South Wales Ombudsman was extremely critical of the role of the State’s Office of Aboriginal Affairs in dealing with this issue, particularly at the Aboriginal community of Toomelah in the north-west of the State. As the Ombudsman pointed out, Aboriginal communities are generally not serviced by shire councils because the land on which they are located is non-rateable. On the other hand, many cooperatives and registered companies, including the Baptist Church self-funded retirement housing project and
Aboriginal people in the economy of the Kimberley region

self-funded units of the RSL movement, were also exempt, but have not been singled out for discriminatory treatment in service delivery by shire councils (New South Wales Ombudsman 1992, 60-1).

A similar situation applies in parts of Western Australia. Under section 532(1) of the Local Government Act 'land is not rateable if it is the property of the Crown and is being used for public purpose'. According to the former Minister for Local Government, Mr Smith,

Land held for Aboriginal use and benefit is generally vested in the Aboriginal Lands Trust (ALT). Although a body corporate, the ALT is subject to the prior approval of the Minister for Aboriginal Affairs in dealing with the land, and also to any directions of the Minister in the fulfilment of its functions. Furthermore, the Minister appoints the Members of the Trust. For these reasons, the AAPA considers that there is strong support for the ALT equating with the Crown. Therefore, land vested in the ALT is Crown Land for the purposes of the Local Government Act.

On the question of whether land set aside for Aboriginal use and benefit 'is being used for a public purpose', the AAPA maintains that the administration of programs for the purported benefit of Aboriginal people has been a function of the Western Australian Government since 1886. Therefore, the programs which are undertaken on Aboriginal land for the benefit of Aboriginal communities are seen by the AAPA as fulfilling the 'public purpose' criterion of the Local Government Act.

From the above, it is evident that the AAPA clearly consider Aboriginal Reserve Lands and Special Purpose Leases to fulfil the exception provisions of Section 532(1) of the Local Government Act, and hence exempt these lands from the payment of rates (personal correspondence, 30 December 1992).

From the information compiled by the AAPA, some significant areas of Aboriginal Land Trust Land are not subject to rates, with almost 5,000 square kilometres of this land in the Kimberley region. As is clear from the previous Minister's correspondence, this land is exempt from rates because the Government 'is [and presumably still is] applying the AAPA interpretation'. The Aboriginal people living on these reserves did not make the decision about whether the land was subject to shire council rates.

However, it needs to be remembered that not all Aboriginal people live on Aboriginal Land Trust reserves. In the Kimberley region quite a large number of Aboriginal people live on Aboriginal-owned pastoral leases, or on living areas excised from non-Aboriginal-owned pastoral leases. The owners of the pastoral leases are liable to shire council rates, and are also liable for rental payments to the Western Australian Government for the pastoral leases. Many Aboriginal people also live in the main towns in the region and either pay rates as individual landowners, or indirectly through their rents to Homeswest. A considerable number of Aboriginal organisations pay shire council rates. To obtain an idea of the amount paid in rates and pastoral lease rentals, the 87 sets of financial statements of 82 separate Aboriginal
organisations and communities in the Kimberley region were examined. In 1991–92 the Aboriginal organisations paid $251,815 in rates and pastoral lease rentals. By way of comparison, the rates and pastoral lease rentals paid by all of the pastoral lessees in the region, including the Aboriginal-owned pastoral leases, was $628,087.

The figure for rate payments by Aboriginal organisations of course does not include rates paid by individual Aboriginal people, by some organisations, and indirectly through the Homeswest housing rentals. It is therefore likely to be a considerable underestimate of the rates paid by Aboriginal people and Aboriginal organisations in the region. It does, however, dispel the myth that Aboriginal people do not pay any rates. Further, many of the rate-paying non-Aboriginal businesses in the region are heavily dependent on spending by Aboriginal people and Aboriginal organisations. A list of some of these businesses is included in Appendix 2. The viability of many of these businesses, and hence their ability to contribute to shire council revenues, is dependent to a considerable extent on the spending by Aboriginal people and Aboriginal organisations.

However, it is clear from this research that there is a widespread view in the Kimberley region that the four shire councils are either very reluctant to provide services to Aboriginal people, or do not provide any services. Although this view is very strong amongst Aboriginal people living in very remote communities, many Aboriginal people living in the main towns expressed this view. Officials from Homeswest also indicated that the shire councils in some parts of Western Australia, including the Kimberley region, have been very reluctant to provide services such as garbage collection or streetlight maintenance to town streets where the houses are predominantly occupied by Aboriginal families.

Many shire councils do not provide direct services, such as garbage collection or enforcement of the Health Act, to Aboriginal communities, either because these communities are on land that is not rateable, or because the communities are very remote from the larger towns. In other cases, the shire councils have taken the view that Aboriginal land is private land and that shire councils have no responsibility to provide services for people living on such land. Some shire presidents also expressed the view that Aboriginal people do actually receive services from the shire councils. It was noted that Aboriginal people from non-urban areas obtain the benefits of shire council expenditure in the form of sealed roads, swimming pools, streetlights, parks and gardens when they visit the main towns of the region. One shire council president, when questioned in a public meeting about this issue by an Aboriginal person living on an Aboriginal-owned pastoral lease which paid rates, answered that Aboriginal people expected too much. ‘What do you expect for $1,500 in rates?’, was the council president’s reply. At the Country Shire Councils’ Association Executive Meeting (7 April 1993, 2) the minutes record that the Kimberley Ward meeting on 2 April 1993 of the CSCA had noted that Aboriginal communities within towns received services such as sealed roads and street lights, and although in the past these communities had
made ex gratia payments of rates, this had generally now stopped. Accordingly, the Ward resolved:

That a letter be written to appropriate Ministers requesting the rateability of Aboriginal communities within townsites.

Despite the significance given to the non-rateability of some areas of Aboriginal land, it is important to note that for the shire councils in the Kimberley region, rates are a relatively small proportion of total income, and for the 4 shires rates averaged only 21.1 per cent of total income in 1991–92. The untied grant income received from the Western Australian Local Government Grants Commission represented on average 28.9 per cent of the total income of the four shire councils in 1991–92.

Table 27 Rates and other general purpose income, Kimberley region shire councils, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Broome</th>
<th>Derby–West Kimberley</th>
<th>Halls Creek</th>
<th>Wyndham–East Kimberley</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates income</td>
<td>1,727,312</td>
<td>1,181,000</td>
<td>338,211</td>
<td>1,476,509</td>
</tr>
<tr>
<td>Grants Commission grant</td>
<td>1,449,396</td>
<td>1,694,100</td>
<td>1,437,393</td>
<td>1,881,392</td>
</tr>
<tr>
<td>Total income</td>
<td>7,378,461</td>
<td>5,168,744</td>
<td>2,336,973</td>
<td>7,492,686</td>
</tr>
<tr>
<td>Rates as percentage of total income</td>
<td>23.4</td>
<td>22.8</td>
<td>14.5</td>
<td>19.7</td>
</tr>
</tbody>
</table>

Source: Shire council financial statements

The shire councils in the Kimberley region are less dependent on rates as a source of revenue than shire councils for the State as a whole. For all Western Australian shire councils, rates comprised 42.2 per cent of total revenue in 1991–92, while general purpose grants accounted for 12.5 per cent (Western Australian Local Government Grants Commission 1992, 8). The higher dependence of the Kimberley shire councils on local government grants is not surprising given the type of land in the shires in the Kimberley, the restricted range of rate-paying businesses, the relatively small populations, and the large Aboriginal populations in each shire. The Department of Local Government estimated that about 58 per cent of the land in the Kimberley region is rateable by the shire councils. The Local Government Grants Commission takes into account the fact that a shire may include large areas of land that are not rateable (Western Australian Local Government Grants Commission 1992, 2).

The Australian Local Government Association has addressed the issue of whether local government service delivery is conditional on the payment of rates. In a draft paper the ALGA noted:

The principle must be that services are provided to all residents regardless of whether they pay rates or not. Local councils service churches and government
buildings that do not normally pay rates. Services to Aboriginal and Torres Strait Islander communities are provided because they live in the local Council area, not in relation to their rate contribution (Hawken 1993, 11).

Table 28 Rateable and non-rateable land in the Kimberley shires, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Rateable km²</th>
<th>Per cent</th>
<th>Non-Rateable km²</th>
<th>Per cent</th>
<th>Total km²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome</td>
<td>21,026</td>
<td>37.55</td>
<td>34,974</td>
<td>62.45</td>
<td>56,000</td>
</tr>
<tr>
<td>Derby—West Kimberley</td>
<td>92,400</td>
<td>89.97</td>
<td>10,306</td>
<td>10.03</td>
<td>102,706</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>74,083</td>
<td>51.84</td>
<td>68,825</td>
<td>48.16</td>
<td>142,908</td>
</tr>
<tr>
<td>Wyndham—East Kimberley</td>
<td>57,752</td>
<td>47.65</td>
<td>63,437</td>
<td>52.35</td>
<td>121,189</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>245,261</strong></td>
<td><strong>58.01</strong></td>
<td><strong>177,542</strong></td>
<td><strong>41.99</strong></td>
<td><strong>422,803</strong></td>
</tr>
</tbody>
</table>

Source: Department of Local Government 1992

The Western Australian Municipal Association (WAMA) endorsed a revised Aboriginal Affairs Policy in early 1993. The Policy was also endorsed by the Country Shire Councils Association, except that the use of the words ‘self determination’ in the Policy was not acceptable to the CSCA. The Policy addresses the relationship between the payment of rates and service delivery by stating:

Local Government supports changes to the Local Government Act allowing for the rating of Aboriginal communities living on Aboriginal Lands Trust or other Special Purpose Leases except where occupied and used for charitable purposes.

WAMA indicated that the lack of service delivery to Aboriginal people living on land that is not rateable was a ‘legal question’ (personal correspondence, 11 January 1993). WAMA still apparently endorses the view that rating and service delivery are linked, and that shire councils need additional funding if they are to provide services to many Aboriginal people. The policy states:

Local Government supports initiatives which enable the delivery of municipal services to Aboriginal communities on non-rateable land, including: options such as ex gratia payments in lieu of rates; payments for specific services; and assisting communities attract funding which allow Councils to deliver a more effective service.

The actual rateability of Aboriginal Lands Trust Land is a legal question, but decisions about service delivery are political decisions, made by individual shire councils. There are no provisions in the Local Government Act which require shire councils to restrict service delivery only to ratepayers. Funding assessed by the Western Australian Local Government Grants Commission is not specifically directed at delivering services only to rate-paying residents of a shire. In fact, the assessments of the Grants Commission take into account the fact that some shire councils are
Aboriginal people in the economy of the Kimberley region

restricted in their ability to raise revenue from rates. Further, the Western Australian Government supported Recommendation 198 of the Royal Commission into Aboriginal Deaths in Custody which specifically addressed this very issue. However, at the April 1993 Kimberley Ward CSCA meeting, concern was expressed: ‘... that there appears to be increasing demand for the extension of a whole variety of Local Government services to Aboriginal communities’ (Minutes, Western Australian Municipal Association, 7 April 1993).

It is not clear whether the effort that has been put into developing Aboriginal affairs policies for local government is having much of an effect, given the types of attitudes expressed in some of the above quotes. However, there has at least been some advance from the position of the CSCA adopted at the Annual Conference (6 September 1989, 10). Three of the points of the Aboriginal Policy adopted at the Conference were:

That having regard to the spread of Aborigines and Aboriginal communities in WA, the process of assimilation should be continued and programs giving privilege to Aborigines limited to areas of special need ... the need for Aboriginal community councils to deliver local government services in Western Australia is not seen as a viable option ... with the responsibility for administering Local Government Act, the Executive Council of CSCA views with concern the growing separation of the Aboriginal people.

Kimberley shire council policies on excisions for Aboriginal living areas

To understand how Aboriginal people can be directly affected by decisions made by shire councils, the minutes of the four Kimberley shire councils for the period 1991–93 were examined. The evidence suggested that despite the Western Australian Government’s statements about implementing the Royal Commission recommendations, the adoption of an Aboriginal Affairs Policy by WAMA, and the appointment of Aboriginal liaison officers in the Department of Local Government, the discrimination against Aboriginal people in service delivery seems set to continue.

At the Ordinary Council Meeting of the Shire of Wyndham–East Kimberley on 19 March 1992, it was resolved that applications for excisions of living areas for Aboriginal people on pastoral leases, and other land, must include certain information. The Council’s policy stated that the information that the applicants needed to provide should include:

The economic basis for the relocation to a selected area, including the provision of continual self-funding to enable development, operation and maintenance of community service facilities and buildings (Minutes, Ordinary Council Meeting, 19 March 1992, 28).

At the CSCA Kimberley Ward meeting in May 1992, the excision of Aboriginal living areas from pastoral leases was discussed. On 25 June 1992, the Shire of Halls
Creek formalised its policy regarding land excisions for Aboriginal people. Although the Council endorsed the same policy as the Shire of Wyndham–East Kimberley, the Shire of Halls Creek also resolved that:

The Council will not be responsible for the provision or maintenance of any services. The applicant is required to provide details as to their traditional association with the land (Minutes, Ordinary Council Meeting, 25 June 1992, 3)

The wording of the Shire of Halls Creek policy was also passed at an Ordinary Council Meeting of the Shire of Derby–West Kimberley on 29 July 1992. However, the minutes record the view that 'the above policy is probably not enforceable should the particular body concerned not be inclined to assist'. The Shire of Broome, at the CSCA Kimberley Ward meeting in November 1992, moved that the policy be adopted by all of the Kimberley shire councils. The policy then became the basis for decisions by the shire councils on a number of living area applications. A living area application by the Kanjiwal Aboriginal Corporation in the Mitchell Plateau area was rejected by the Shire of Wyndham–East Kimberley because it did not comply with the Council's policy and because:

... the application is contrary to tourism interests and the wider community interests and that free and open access should be available to the area by the public (Minutes, Ordinary Council Meeting, 19 March 1992, 29).

In regard to the same application, the minutes for an Ordinary Council meeting on 21 May 1992 record:

[Shire] President expressed his concern as to how these communities would support themselves and would the local authority be expected to provide services and that the public would not have access to some areas.

The Shire of Wyndham–East Kimberley decided that the release of a living area for the Gullalawa Community near Naasra Creek could not be supported '... without sufficient funding to ensure adequate services are provided without excessive impositions on Council finances (Minutes, Ordinary Council Meeting, 16 July 1992, 36).

The Shire of Wyndham–East Kimberley made a number of comments on an application for land for a living area on Mt Elizabeth Station by the Wah Aboriginal Corporation. The comments reflect what has been a particularly contentious area: funding for the provision and maintenance of access roads to remote Aboriginal communities:

There are no current funds or any likely funds to provide and maintain formal access. Should specific and continual on-going funds be made available by Federal and State Governments for access Council will carry out the works as necessary. Due to the isolated location Council is unlikely to provide health services unless government funding is made available. Should the Wah Aboriginal Corporation pay rates for the proposed area then health services will be considered by Council (Minutes, Ordinary Council Meeting, 18 June 1992, 19).
Aboriginal people in the economy of the Kimberley region

The Finance and Staff Committee of the Shire of Derby—West Kimberley considered a letter from ATSIC regarding Mowanum Aboriginal Corporation near Derby. ATSIC’s letter illustrated that Aboriginal communities do not have to be in remote locations and on non-rateable land not to receive adequate services. ATSIC’s letter to the Shire reads as follows:

I note that the Mowanum Aboriginal Corporation is charged approximately $13,000 per annum by the Derby/West Kimberley Shire Council for rates. It is also apparent that garbage services, access road maintenance, internal roads, storm water drainage, and street lighting at Mowanum are being neglected, and that the Mowanum Aboriginal Corporation is cross-subsidising other ratepayers in the Derby/West Kimberley Shire. Would you advise what action can be taken by your Council to raise the standard of municipal services at Mowanum to a level commensurate with Derby township residents, and whether Mowanum is indeed receiving any services in return for the rates it is charged.

The dismissive attitude which prevails when applications for Aboriginal living areas have come before the shire councils was demonstrated in the minutes of the Finance and Staff Committee Meeting. The response of the Shire to ATSIC’s letter was as follows:

That the Aboriginal and Torres Strait Islander Commission be advised of the principles of raising revenue by way of rates under the W.A. Local Government Act (Minutes, Finance and Staff Committee Meeting, Shire of Derby—West Kimberley, 21 September 1992, 3).

The access road and internal roads in Mowanum community had previously been discussed by the Shire of Derby—West Kimberley. The Western Australian Minister for Aboriginal Affairs was advised by the community that it paid rates to the Shire of Derby—West Kimberley, and requested upgrading of the roads. When the Minister requested the Shire’s advice, the resolution of the Council was:

That the Hon. Minister for Aboriginal Affairs, Dr. Judyth Watson be advised that the access road to Mowanum is regarded as a Council responsibility and further, that the Hon. Minister be requested to provide support for this Council’s endeavours to receive funding for improved access roads to Aboriginal townsites (Minutes, Ordinary Council Meeting, Shire of Derby—West Kimberley, 28 August 1991, 16).

The Commonwealth Minister for Aboriginal and Torres Strait Islander Affairs, Mr Tickner, was given copies of the minutes documenting the discussions about the land excision policies of the shire councils, and responded by writing to the Western Australian Government. The land excision policies passed by the three Kimberley shire councils may have contravened the provisions of the Racial Discrimination Act. Upon receipt of Mr Tickner’s letter, the AAPA wrote to the Shire of Halls Creek requesting that the Shire withdraw its current policy and ‘replace it with one which better suits the needs and aspirations of its Aboriginal constituents’. The Council noted that the Kimberley Ward of the Country Shire Councils Association was seeking legal advice on the policy (Minutes, Ordinary Council Meeting, 26 November
The relationship between Aboriginal people and local government

1992, 30–1). The opinion that was obtained from Northmore Hale Davy and Leak stated that the policy did not contravene the Racial Discrimination Act and that there was no need to change the wording of the policy (Minutes, Engineering and Planning Services Committee Meeting, Shire of Derby–West Kimberley, 15 February 1993, 7–8). The opinion, dated 25 November 1992, however, seems to misunderstand the intention of the policies, and does not refer to the additional clauses inserted in the policy adopted by the Shire of Halls Creek.

There are a number of points that can be made about the issues raised in the shire council minutes. It is not clear how much the attitudes of the shire councils have contributed to delays in the granting of excisions to Aboriginal people, but there are a very large number of outstanding excision applications in the Kimberley region. According to the Minister for Aboriginal Affairs as at 1 September 1992 there were 70 applications for living areas in the Kimberley region still pending, and a further 23 in the Pilbara, Gascoyne and Goldfields regions. When questioned about the then Government’s criteria for making decisions about the applications, the Minister replied that one of the criteria was ‘a strong commitment from relevant agencies for the provision of appropriate community infrastructure’ (Parliamentary Debates, Legislative Assembly, 1 September 1992, 4203). Given the attitude of the Kimberley shire councils towards excision applications, it is hardly surprising that there are a large number of outstanding applications in the region.

Providing services to remote communities can be very expensive, and the increasing number of small Aboriginal communities in the region undoubtedly presents challenges for those responsible for service delivery. The shire councils do not have unlimited budgets to provide local government services. Although the shire councils in the Kimberley region do receive relatively high levels of per capita funding based on the assessments of the Local Government Grants Commission, the shires still cover very large areas of land and, relative to the main urban areas, are sparsely settled. As in all areas of government, priorities for expenditure need to be established. If the demands for services are greater than the available funds, which is usually the situation, then decisions have to be made about the priorities.

There seem to be a number of factors at work in relation to service delivery to Aboriginal people. It is not apparent that the shire councils in the Kimberley region have a strong commitment to delivering equitable services to all residents of the shire. As a consequence, the shire councils appear not to have sought additional local government funding to provide services to remote areas of the shire. That is, the shire councils do not seem to have made any systematic effort to argue for higher disability factors which would improve their levels of local government funding. This seems to be at least in part based on the view held by many shire councillors that specific Aboriginal funding should be used to provide these types of services. The policy that has been adopted by the Kimberley shire councils is that if Aboriginal people want to live in very remote areas, then they must accept that the shire councils will not provide services. Any service delivery to these people must be based on specific ‘Aboriginal’ sources of funding, particularly ATSIC.
The unwillingness of the shires to commit significant local government funding to providing services to Aboriginal people has obviously been influenced by attitudes about service delivery prevailing in the rest of Western Australia. Through all levels of government in Western Australia there has been a marked reluctance to accept that Aboriginal people should be treated equitably in terms of service delivery. There may have been some improvements in attitudes recently, as the wording of the Aboriginal service plans of some departments and authorities illustrates. However, despite the change in rhetoric, there remains the underlying policy framework of the State Government that service delivery to Aboriginal people should primarily be funded by the Aboriginal-specific programs of the Commonwealth Government. It would be surprising if the Local Government Grants Commission, which makes assessments about funding and disability factors, was not also reflective of these types of policy positions. Even if a shire decided that it would change its priorities in order to improve service delivery to Aboriginal people, its decisions may not necessarily be favourably accepted by the Local Government Grants Commission. Under these circumstances, it is not hard to see why few shire councils are prepared to expend much of their untied local government funds on servicing remote Aboriginal communities.

**Politics and priorities**

What is often overlooked about shire councils is that they are political organisations. The councillors are elected representatives, with their own priorities and agendas. This is normal in any political system. Decisions about expenditure priorities and policy decisions about service delivery are inevitably political decisions. The nature of these decisions is often masked by discussions about the complexities of funding or inter-governmental relationships. In many areas of Western Australia, despite the relatively large Aboriginal populations in some areas, in very few shires are Aboriginal people either a substantial minority or a majority. Even where Aboriginal people have been elected on to shire councils, many Aboriginal people complain that the priorities of the shire councils have remained largely unchanged. In the Kimberley region the shire councils include Aboriginal councillors, but the level of discontent about the services provided by the shires suggests that these elected councillors have been unable to significantly change the priorities of the councils. If they have been able to change the priorities, they have not explained this to the Aboriginal population.

This raises another issue, relating to the expenditure priorities of the shire councils. Much of the funding received by the shire councils is based on the costs of maintaining the existing municipal infrastructure. This includes the road network, particularly in the main towns, swimming pools, councils halls and other municipal facilities. These facilities are almost always located in the main towns, and hence the expenditure of the councils is predominantly in the main towns. The feature of most Aboriginal communities is the minimal levels of infrastructure, and in the case of roads, the almost complete lack of sealed roads to, and within, the communities. Very little, if any, of the infrastructure in the Aboriginal communities in the Kimberley
The relationship between Aboriginal people and local government

region would be owned by the shire council, since the land is either Aboriginal Land Trust land or pastoral lease land. The shire councils adopt as their main priorities the maintenance of their own infrastructure, and since this infrastructure is mainly in the towns, or some of the roads between the towns, this is where the bulk of the expenditure is undertaken.

However the shire councils are, on the whole, not prepared to explain some of these issues to Aboriginal people. Instead, as the shire council minutes clearly demonstrate, many Aboriginal people are denied direct services from the council because they do not pay rates to the shire council or live in remote areas. In fact, Aboriginal people are often denigrated because they do not contribute to the shire council’s finances. Even if rates are paid, however, as the Mowanjum community’s experience clearly shows, there is still no guarantee that even a basic level of services will be provided.

Much of the land on which Aboriginal people are living is not rateable because the Western Australian Government has decided that this will be the case. While this may relieve some Aboriginal people, or Aboriginal organisations, of the financial responsibility for the payment of rates, it also results in the shire councils refusing to provide even the most basic of services. One level of government has made a decision about the land on which Aboriginal people are living, and another level of government then uses this decision to deny services to those very same Aboriginal people.

The environmental health situation in Kalumburu

Kalumburu is a coastal Aboriginal community that was originally established as a Benedictine mission in 1906. There has been considerable concern expressed about the health situation in the community, particularly the widespread incidence of hookworm and the extremely poor housing and environmental health conditions. The community is in the Shire of Wyndham–East Kimberley, but is remote from the main population centres in the shire. As with many other similar communities, there has been a marked reluctance by the State and local governments to provide services to the community. In the past year some of these service delivery issues have been addressed by various government agencies. Many of the health problems in the community are directly attributable to the actions of various levels of government.

Some of the minutes of the shire councils record views that go further than the use of the non-payment of rates to justify council policy. Some councils apparently have seen fit to comment on the social behaviour of some Aboriginal people, and references to ‘street drinking’ are common in the minutes of the councils that were examined. It is clear from the minutes of the Ordinary Council Meeting of the Shire of Wyndham–East Kimberley on 18 July 1991 that the shire council believes that the behaviour of Aboriginal people, not inadequate or inappropriate service delivery, is largely responsible for the present situation in the community:

The majority of the Kalumburu community members are aware of and recognise the real needs of the community (ie housing, sanitation, disease control, nutrition). However, few, if any of these issues are being prioritised by the people of the
community, which on examination and research of social issues, may be resulting from: an unwillingness to co-operate or accept advice from health officers; a lack of desire, drive and personal motivation; low self esteem; a lack of "control" of life issues; a lack of pride in community; and probably most significantly gambling has become an addiction and is endemic within the community's adult population, the outcome of which is causing substantial domestic hardship and an apparent deterioration of traditional family unit.

In the light of these comments, it is revealing to examine the advice provided by the Health Department of Western Australia to the shire council about the problems in the community. It is worth quoting at length from the advice given the relevance of the issues to many other Aboriginal communities. The following quotes are taken from a confidential letter to the Shire President of the Wyndham–East Kimberley from the Executive Director of Public Health (18 November 1992):

The report documents widespread and severe deficiencies in the most basic of sanitary services and facilities and practices in Kalumburu. There is an indisputable relationship between these deficiencies and the prevalence of hookworm infection.

These deficiencies result from manifold failures by authorities, owners, occupiers, contractors and other agents to ensure for the community the same level of sanitation that prevails elsewhere in the State, and specifically in other areas within the health district under the control of the Shire of Wyndham–East Kimberley, and which could be achieved, by reasonable effort, in Kalumburu.

Of particular and overriding concern to me is the existence of conditions in the community which the Sanitation, Dwellings and Nuisances provisions of the Health Act are specifically designed to remedy and prevent. These include:

- inappropriate siting of dwellings on land subject to flooding
- inadequate design of dwellings, sanitary conveniences, and apparatus for the bacteriolytic treatment of sewerage
- failure of normal approval processes to detect and remedy deficiencies in design
- defective techniques and standards — particularly affecting drainage and septic tanks
- the continued and widespread existence and use of sanitary facilities which are a nuisance, dangerous and injurious to health
- failure to fill in cesspits
- absence of suitable and appropriately controlled sites for the disposal of refuse
- the presence of numerous houses unfit for human habitation by reason of uncleanness and want of repair.

My concern over this issue has been heightened by the observation that conditions in the community have not improved in the last 10 years and have arguably worsened. Thus, substantial investment and the reforms to funding and
administration of the community which have occurred since 1982, have been without effect. I have concluded that it would be an inadequate response for me to accept reassurances that existing systems of administration will suffice to correct this situation.

In response to views such as those recorded in the minutes of the Shire Council, the letter continues:

Although representations have been made to me attributing these deficiencies simply to behavioural factors, I am inclined to reject this firmly. There are such overwhelming deficiencies in sanitary facilities and services and the effectiveness of municipal or community administration is so deficient that such an explanation amounts to mere rationalisation. The deficiencies observed place substantial if not insuperable barriers in the way of individual efforts to adopt a hygienic lifestyle. It seems self evident that such a lifestyle can only be reliably built on the basis of adequate infrastructure, services, and sanitary administration. The history of public health in the modern era is testament to this fact and the overriding purpose of public health legislation is to provide the structural guarantees on an equitable basis within the community.

The proposed action for dealing with the problems was targeted directly at the Shire Council:

As I have stated, in my opinion the conditions at Kalumburu derive directly from a failure of compliance with the provisions of Parts IV, V and VII of the Act and the power contained in these parts are adequate to abate the problems in the Kalumburu community. The responsibility of the compliance with these parts rests jointly with Local Authorities, owners and occupiers, and other parties engaged in the design, construction and maintenance of facilities in any part of the health district. The responsibility for enforcing these provisions on other parties rests with Local Government, and Local Government has specific service obligations under these parts, as well ... I have therefore formed the view that the Shire of Wyndham–East Kimberley is in default in enforcing, carrying out and complying with the provisions of Parts IV, V and VII of the Act in respect of the community at Kalumburu.

In another confidential letter to the Western Australian Municipal Association (18 November 1992), the Director went further in respect of the service responsibilities of shire councils to Aboriginal communities:

I have formed the view that there is no basis under the Act for Local Authorities to treat Aboriginal communities any differently from other residents in their health district in respect of health services under the Health Act. Moreover, I am of the view that Local Authorities may and should exercise the same sanctions over owners and occupiers in Aboriginal communities as they exercise in the general community ... The conclusions I have reached in respect of Kalumburu have general applicability to Aboriginal communities for they are not specific to the abatement of a particular declared dangerous infectious disease.
Aboriginal people in the economy of the Kimberley region

In response, the Western Australian Municipal Association Executive Meeting (Minutes, 7 April 1993, 41–2) noted:

WAMA has been approached by the Health Department of WA with advice of a legal opinion which supports the view that local Government must provide health services to Aboriginal communities in their Municipal District. The legal opinion contends that: the payment or non payment of rates is not relevant when determining whether to provide municipal services to a group within the community, and the provisions of the Health Act do apply to Aboriginal communities on Crown Land, and to the Aboriginal Communities occupying that land ... the potential ramifications of the Health Department’s interpretation of the law was discussed in detail. Reservations were expressed from Local Government’s viewpoint as to the massive resource shift that would be inherent if the Health Departments view was to prevail. As well the existing inadequacies and uncertainty over Councils’ influence on the planning building and location of remote aboriginal communities was highlighted. In particular it was stressed that previous State and Federal policies had systematically excluded Local Government from involvement in Aboriginal Affairs. It was agreed at the meeting that:

1. All people within a Municipal District had a right to an equitable environmental health service.

2. In most instances that Local Government was best placed to deliver such a service, and

3. The resourcing of those services was the crucial element to be resolved.

At least once Shire Council seems to have responded to the Health Department’s advice, although it is not clear that the response was quite what the Department intended. The Shire Clerk of Halls Creek wrote to the Mindibunga Aboriginal Corporation in Billiluna (21 December 1992) pointing out that ‘sewerage accumulations existed due to failing bacteriolytic systems/ sewers systems’. The Shire Clerk noted that the community may be committing an offence under the Health Act.

Section 182 of the Health Act 1911 states that a nuisance shall be deemed to be created where a pool, ditch, gutter, water course, sanitary convenience or drain is so foul or out of repair, or otherwise in such a state as to be offensive or injurious to health. I must inform you that council will look at taking action to rectify any nuisances as described by the Health Act 1911 if substantial effort is not made to remove these nuisances.

Following the establishment of a Working Party of Local Government Health Authority Services to Aboriginal Communities, in August 1993 the Health Department advertised for consultants to examine some of these issues. Despite the incredible complexity of the issues, and the obvious need to discuss the issues with Aboriginal people and Aboriginal organisations, the work of the consultants was to be completed by November 1993. The Working Party was established:

... to examine, in an expeditious manner the relevant legal, funding, administrative and management issues impinging on effective environmental health
administration in this context and to recommend strategies that will ensure that the benefit of Public Health legislation in Western Australia is extended to rural and remote Aboriginal communities (personal correspondence, 3 September 1993).

‘Let’s Work Together’: the ATSIC response

Given the inability, or unwillingness of many shire councils to provide direct services to many Aboriginal communities, are there any alternatives for Aboriginal people living in these communities. One response, which is being actively promoted by ATSIC and the Western Australian Department of Local Government, in conjunction with the Australian Local Government Association, has been to improve the relationship between Aboriginal people and shire councils. Aboriginal local government liaison officers have been appointed, and a number of regional conferences have been organised where small groups of Aboriginal people, Aboriginal organisations and shire councils have met to discuss some of the issues. One such meeting was held in Derby in May 1993. Information about voting and local council elections is also being provided to many Aboriginal people.

ATSIC, DEET and the Commonwealth Office of Local Government funded the appointment of an Aboriginal Liaison Officer with the Australian Local Government Association, and for the appointment of Aboriginal Policy Officer positions with the State and Territory local government associations. According to a briefing paper prepared by the Infrastructure Branch of ATSIC’s Social Division in January 1993 for the ATSIC Commission meeting on 1–4 February 1993:

The lack of Aboriginal and Torres Strait Islander participation in local government has prevented the recognition of their interests and the appointment of policy officers is one way to increase Aboriginal and Torres Strait Islander influence in local government. The policy officers will be required to comment on and formulate policy. They will also monitor the implementation and effectiveness of current policies and programs relevant to indigenous peoples, for example, the recent Aboriginal Policy endorsed at the last annual conference of the West Australian Municipal Association.

The overall theme of these ATSIC initiatives was summarised by the title of a conference held in Townsville in October 1991, *Let’s Work Together* (Office of Local Government 1991). A booklet on *Good Practices: Initiatives Between Local Government and Aboriginal and Torres Strait Islander Communities* (Pope 1991) was presented to the conference. Some information on the ‘Aboriginal initiatives’ of the Shire of Derby–West Kimberley was included in the booklet. These initiatives included:

The submission and receipt of funding from the Western Australian Government to employ a Community Services Officer; Council has approximately 40 staff of which 30 are ‘outdoors’ and approximately 30 per cent of these are permanent Aboriginal employees—the Council has been involved in ‘subsidised employment’ from DEET; the Council has opened a library ‘outpost’ at an Aboriginal community; a submission has been made to the Community Relations
Aboriginal people in the economy of the Kimberley region

Program for funding of a person to be appointed with the Council for six months to enhance awareness of local government elections; the Council has requested funding from the State Government to top up the training of local Aboriginal people to deal with minor matters of environmental health such as leaking taps and minor sewerage issues; the Council has for two years sponsored NAIDOC week during which the Australian and Aboriginal flags are raised daily, and Aboriginal banners of various groups who have attended the NAIDOC celebrations have been hung in the Council Chambers (Pope 1991, 22–3).

Worthwhile as these initiatives may be, they hardly constitute a significant change in the relationship between Aboriginal people and the shire council. But in a town like Derby, any positive recognition of Aboriginal people and Aboriginal organisations by the shire council is a welcome step. There would still be many people in the town and the region who would be totally opposed to the Aboriginal flag being raised outside the Council chambers, and even some of these initiatives would be unacceptable. Even so, initiatives of this type are unlikely to result in any significant change in the pattern of service delivery, or the priorities of the shire councils in the region.

However, in a draft paper prepared for the Australian Local Government Association, some other useful initiatives were proposed. These included joint infrastructure projects, assistance for Aboriginal communities preparing plans for their infrastructure needs, and contract management (Hawken 1993, 13). This latter role has been instituted in Halls Creek and Wyndham in relation to the newly-introduced CDEP schemes. The use of Aboriginal organisations as contractors, particularly when these organisations have access to CDEP, was also proposed.

The National Commitment and local government

Another response by ATSIC has been to negotiate the National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders (Council of Australian Governments 1992). The document was adopted by the Council of Australian Governments at its inaugural meeting on 7 December 1992. More detail of this document is included in Chapter 9. However, a section of the document deals with the role of local government:

The Governments of Australia: agree that Local Governments will maintain their responsibilities to ensure the provision of a full range of local government services to Aboriginal peoples and Torres Strait Islanders in accordance with appropriate planning, coordination and funding mechanisms; recognise the role of Local Government in local area planning and the need for its integration with the ATSIC and State and Territory planning processes; agree that the development of bilateral agreements will take into account Local Government policies through consultative processes where appropriate.

Some of the other sections of the document have implications for local government, although the wording of the document is so broad that it is hard to assess in practical terms what the outcome at the local government level will be. Certainly, the land
excision policies passed by the shire councils in the Kimberley region would appear to directly contradict the intention of the National Commitment. One would have thought that these policies are not based on the equitable treatment of some Aboriginal people. On the other hand, the shire councils could presumably argue that the National Commitment does not require local councils to deliver services to all Aboriginal people. The councils have argued, and even after the National Commitment was adopted, still continue to argue that if Aboriginal people living in very remote areas want access to services from local councils, then the shire councils should be specifically funded to provide these services.

CDEP and local government

The response of many Aboriginal communities to the lack of service delivery by the shire councils has been to use Community Development Employment Projects funding for municipal service provision. Indeed, it is likely that the shire councils do not provide services to these communities in the full knowledge that some municipal service provision will be financed with CDEP funds. As was pointed out earlier, the Queensland Auditor-General includes CDEP funds in the income of the Aboriginal and Island Councils as though it is just another form of local government funding. The Western Australian Government, in one of its submissions to the Commonwealth Grants Commission, noted that CDEP is used for local government-type service provision:

... Jigalong claimed they used Community Development Employment Project (CDEP) funding from the Aboriginal and Torres Strait Islander Commission (ATSIC) for functions such as road works, repairs, maintenance, rubbish collection and running the power station. The above situation is not unique to the Jigalong community. It is generally acknowledged that the use of CDEP funding for the provision of municipal type services is widespread throughout Western Australia. CDEP funds are at least partly used to fill the void left by Local Government not extending its municipal type services to Aboriginal communities (Western Australian Government 1992a, 73).

ATSIC’s CDEP User Guide also raises this issue, and states:

CDEP communities should be able to provide normal local government services and have sufficient award positions funded for these, without needing to rely on CDEP funding ... CDEPs may also need to include some local government services activities temporarily, where governments will not accept their funding responsibility and services could not be provided other than through CDEP ... the presence of CDEP should not result in a fall in the number of award rate positions for local government services and administration (Aboriginal and Torres Strait Islander Commission 1991, 64).

It is not clear whether the CDEP User Guide remains in force, since ATSIC itself seems to be contradicting its own policies. Two new town-based CDEPs were introduced in Wyndham and Halls Creek in the 1992–93 financial year. In both cases the administrative responsibility for some of the positions lies with the Wyndham—
Aboriginal people in the economy of the Kimberley region

East Kimberley and Halls Creek Shire Councils, although the funding was allocated initially to Joorook Ngarni Aboriginal Corporation in Wyndham and Ngunnuwah Council in Halls Creek. For example, of the 50 positions allocated to Halls Creek, 15 were for employment with the Shire council, based on a submission prepared by the Shire Council to Ngunnuwah Council on 28 January 1993. As proposed by Shire Council, the work will include general maintenance of the airport and the community hall, general maintenance in the town, the creation of a recreation park, and the establishment of footpaths, driveways and cycle tracks (Nugget News, March 1993). The rationale for using the shire councils to administer part of the CDEP funding may be based on the administrative capabilities of the shire councils. The establishment of a range of town-based schemes may well be part of a longer term agenda of sections of the ATSIC bureaucracy to hand more responsibility for the CDEP scheme to shire councils in other parts of Australia.

While CDEP was largely confined to remote Aboriginal communities there was some justification for using CDEP to provide municipal-type services, since the shire councils would not commit any resources to providing these services. It would appear to be another matter altogether to use CDEP positions for the delivery of local government services to Aboriginal people living in and near the main towns. The prospect of any Aboriginal people working for full-time award wages, which is specifically mentioned in ATSIC’s User Guide, is being undermined by these decisions. Indeed, one major Aboriginal resource centre in the Kimberley region is planning to incorporate some, or all of its Aboriginal staff, into a regionally-based CDEP. CDEP is even used to fund the wages of some of the workers at the Guwardi Ngadu hostel in Fitzroy Crossing.

The creation of the Shire of Ngaanyatjarraku

Another alternative for Aboriginal people which has been adopted in one part of Western Australia has been the creation of a new shire. Some Aboriginal people in Western Australia have taken account of the experience of Aboriginal local governing bodies in the Northern Territory, and the Aboriginal and Islander Councils in Queensland, and have argued that some Aboriginal shires or Aboriginal local governing bodies should be established in Western Australia. One of the most interesting developments in recent years in Western Australia has been the creation of the new Shire of Ngaanyatjarraku in the eastern part of the former Shire of Wiluna.

On 20 November 1991 a petition from people living in the eastern part of the Shire of Wiluna for the creation of a new Shire of Ngaanyatjarraku was sent to the Western Australian Minister for Local Government. As the Ngaanyatjarraku Shire Clerk has subsequently argued, the case presented for the new shire was that it would represent a socially, culturally and financially viable ‘community of interest’, not that there were racial differences (Mclean 1993). On 4 August 1992 the Minister received a second petition calling for the creation of a new western Shire of Wiluna. The Minister referred the petitions to the Local Government Boundaries Commission. The
Commission is an advisory body, and was requested to examine the economic viability of the new shire and the remaining portion of the Shire of Wiluna, the social impact of the boundary changes on local communities, the appropriate boundary, and the appropriateness of merging the western portion of the shire into another shire (Local Government Boundaries Commission 1992, 4). The Shire of Wiluna was the second largest local government in Australia, and covered an area of 330,429 square kilometres. The population of the Shire was about 2,000, of whom 70 per cent were Aboriginal people. Approximately 90 per cent of the population in the eastern region of the Shire were Aboriginal people. Part of the reason for the petition to split the Shire was that Aboriginal people in the eastern part of the Shire believed that they were not receiving an equitable allocation of funding. In fact:

This had led to the unusual step of the Local Government Grants Commission applying a reduced service requirement on the Shire, resulting in a significantly reduced financial assistance grant. The reduced service requirement was applied because the Shire was perceived as not having a need for funding for services it did not provide to the Aboriginal communities in the eastern sector of the Shire (Local Government Boundaries Commission 1992, 7).

Interestingly, the Commission commented on the issue of rates and service delivery:

The perception of Wiluna Council policies of the period prior to 1987 was that they did not consider the eastern residents were entitled to municipal services because they were not ratepayers and were occupying unrateable crown land. There was also the belief that the eastern residents were receiving generous assistance from the commonwealth Government and therefore did not require the provision of any local government services (Local Government Boundaries Commission 1992, 70).

In examining the economic viability of the new shire, the Commission examined data prepared by the Local Government Grants Commission. Local government grants comprised 75 per cent of the income of the Shire of Wiluna, and rates only 14.2 per cent. The Local Government Grants Commission advised that the new shire would be financially viable because of the application of the principle of horizontal equalisation:

The principle of horizontal equalisation is designed to ensure that each local government in the State has the ability to function, by reasonable effort, at a standard not lower than other local governments in the State. In essence it ensures that any local government, regardless of size or rate base, is financially viable (Local Government Boundaries Commission 1992, 17).

One of the concerns expressed about the new shire was its dependence on grant income, and its low level of rate revenue. However, the Commission noted that although it would encourage councils to collect as much in rate revenue as is reasonable, the lack of rate revenue should not be the sole reason for rejecting the viability of a local government which has access to other sources of funds. In fact, an ex gratia payment of rates is made by the communities in the eastern portion of the shire, and amounted to $19,669 in 1992–93. Further:
Aboriginal people in the economy of the Kimberley region

with the support of the excellent administration, service provision and infrastructure of the Ngaanyatjarra Council [based in Alice Springs], the new Shire of Ngaanyatjarra would be economically viable in its own right (Local Government Boundaries Commission 1992, 11).

In commenting on the social implications of creating a new shire, the Commission commented:

In particular, the relationships and links that the Ngaanyatjarra people have with each other and the land, reinforced by the regional organisations and service delivery mechanisms of the Ngaanyatjarra Council, has bound the people even more closely together and led to the strong desire to have a shire which more accurately reflects their interests (Local Government Boundaries Commission 1992, 39).

The Commission estimated that the funding for the new shire would amount to about $806,000 based on the grant allocations in 1992–93, and the western portion of the Shire of Wiluna would receive $473,000. This was more than the actual funding received by the Shire of Wiluna in 1992–93 of $1,179,546. The increase in funding would occur because each of the new shires would have basic staffing and overhead costs that must be borne regardless of the council’s size.

Since the Minister is required to act only in accordance with the petition, the Commission could not make recommendations about changing some of the other shire boundaries in the region. However, the Commission did recommend that at some time in the future all of the Ngaanyatjarra land in the Shire of East Pilbara should also be included in the new shire. The effect would be to create a shire based on the eastern portion of the Shire of Wiluna, part of the south-eastern corner of the Shire of East Pilbara and part of the north-eastern corner of the Shire of Laverton, encompassing the reserve lands of the Ngaanyatjarra people.

The creation of the new shire is a significant achievement, given the overall political context of Aboriginal affairs in Western Australia. Although the new shire, according to the Boundaries Commission, ‘will act as an excellent model of Aboriginal participation in mainstream local government’, it will also shift considerable financial and political power towards the Ngaanyatjarra people. Further, in the local government elections on 4 July 1993 for the new Shire of Wiluna, five Nganggananwili Aboriginal people were elected along with two non-Aboriginal people from the town of Wiluna.

It is an interesting question whether any of the shires in the Kimberley region, or indeed in some of the other remote areas of Western Australia, could be split. There are some important differences between the situation in the Ngaanyatjarra lands and in the Kimberley region. Despite the sparsely settled nature of the Kimberley region, Aboriginal people still comprise less than half of the population. The degree of cultural homogeneity that exists with the Ngaanyatjarra people does not exist to anywhere near the same extent in the Aboriginal population in the Kimberley, although within the existing shires there is less divergence. The land ownership
picture in the Kimberley region is also more complicated than in the area where the Ngaanyatjarra lands are located, with smaller areas of vacant crown land and less Aboriginal reserve land. However, there are a considerable number of pastoral leases owned by Aboriginal people in the Kimberley region.

One important similarity is the existence of a number of large, relatively well-resourced Aboriginal service agencies in each of the main towns and communities. Indeed, much of the present municipal and other service provision in Aboriginal communities is already undertaken by these organisations, or in conjunction with these organisations. In fact, the spread of Aboriginal organisations in the Kimberley region is very impressive, ranging from the radio stations to resource centres, medical services, independent schools and Aboriginal-owned businesses.

There is every likelihood that the splitting of any of the existing shires in the Kimberley region would be fiercely resisted by many non-Aboriginal people in the region, and by the Western Australian Government. Even the establishment of Aboriginal local governing bodies in some of the distinct Aboriginal communities, such as exist in the Northern Territory and Queensland, would in all likelihood meet considerable opposition.

Summary

Many Aboriginal people in the Kimberley region are not treated equitably by the existing system of local government. Though it is true that the shire councils do not have unlimited financial resources, and that the costs of servicing many remote Aboriginal communities are high, the shire councils have made few attempts to understand the difficulties faced by many Aboriginal people because of the low level of service delivery.

There has been a recognition of the need to improve the relationship between Aboriginal people and local government, however, the entrenched conservative attitudes of many shire councillors still strongly influence the priorities of the shire councils. This is clearly reflected in the policies of the shires with respect to excisions for Aboriginal living areas.

The lack of service delivery continues to be justified on the grounds that Aboriginal people do not pay rates, and even if they do pay rates, only limited services will ever be provided. The election of Aboriginal shire councillors has generally not changed the behaviour of the shires.

Total rates income of the Kimberley shire councils in 1991–92 was $4.7 million, which represented 21 per cent of the total income of the shires.
Approximately 58 per cent of the land in the region is rateable. Certain areas of land occupied by people are not rateable because of Western Australian Government policy.

In the Northern Territory and Queensland, governments have accepted the establishment of Aboriginal-controlled local governing bodies. These governments provided funding of $26 million in 1991–92 to these Aboriginal councils. Although the level of funding is often inadequate, at least the priorities for the expenditure of the funds are determined by Aboriginal people.

In Western Australia, with the exception of the new Shire of Ngaanyatjarraku, most Aboriginal people remain largely marginalised from local government decision making.

The CDEP scheme, which comprised about 48 per cent of total ATSIC funding in the Kimberley region, plays a particularly important role in the delivery of local government services to Aboriginal people.
CHAPTER 8

WESTERN AUSTRALIAN GOVERNMENT SPENDING IN THE KIMBERLEY REGION

Introduction

The information in this chapter is based on data supplied by a range of Western Australian departments and authorities for the financial years 1991–92, and in some cases, 1992–93. The data is designed to complement that in Chapters 4 and 5. Since the election of the Court Government in February 1993, there have been changes to the structure of portfolios and ministries. Although it is too early to assess the overall impact of these changes, some discussion of recent developments is included where it is relevant.

Perhaps one of the most symbolic developments following the election of the new Government was the launch of the Aboriginal Plan 1993. This document had been prepared under the previous Government but was not released until after the 1993 State election. Accompanying the main document are separate plans for 11 government departments and agencies. It is hard to know how seriously to take many of these documents. The preparation of the documents does suggest that, in some respects at least, some of the Western Australian departments and authorities are more closely examining their roles and responsibilities in delivering services to the Aboriginal population of the State. The Plan document is glossy, well-presented, and deals with some serious issues. The cover includes the obligatory eye-catching Aboriginal design. The fact that the document was prepared, and even printed, when the previous Labor Government was in power (The Australian 30–31 January 1993) immediately makes one suspicious, particularly given the significant change in rhetoric about Aboriginal issues since the Court Government was elected. It may be that all of the main political parties in Western Australia are committed to implementing the same types of policies in Aboriginal affairs. Or it may be that none of the political parties are committed to doing anything serious about confronting the social and economic difficulties facing many Aboriginal people in Western Australia. The document could be seen as a cynical exercise designed to quieten some sections of the broader public about the implementation, or more accurately, the non-implementation, of many of the recommendations of the Royal Commission.

Planning in Aboriginal affairs

It could be argued that planning, and particularly what is known as ‘community development planning’, have become the latest development fads imposed by
Aboriginal people in the economy of the Kimberley region

governments on Aboriginal people. Despite much of the government rhetoric to the contrary, which emphasises ‘community control’, ‘ownership’, and ‘community participation’, perhaps the main reason for the widespread introduction of ‘planning’ has been because:

Most government policies relating to Aborigines are eventually translated into action through large, centrally based, very hierarchical bureaucracies given to set procedures, a high level of financial accountability, quantifiable implementation and performance indicators, rigid time frames, regular reports, and economic rationalism (Lea & Wolfe 1993, 11).

Notwithstanding the form of the ‘planning’, whether it is community planning, regional planning, or strategic planning, there is little doubt that very considerable amounts of time and money are being spent preparing these ‘plans’. Wolfe has outlined some of the experiences with the preparation of plans in various parts of northern Australia (Wolfe 1993a, b, c, d). The experience is diverse, as she notes in regard after reviewing the preparation of a number of regional plans of the ATSIC regional councils in north Queensland, the Northern Territory and the Kimberley region:

Many regional councils in northern Australia have taken on the task with great seriousness and have devoted considerable time and energy to it. The regional planning process has often not been smooth. Some councils have had professional planning consultants do most of the job. Some have had the assistance of professional facilitators or ATSIC regional staff to guide the activity in which councillors have played a major role in community and agency consultations, and in identifying a regional vision, goals and strategies. A few have done most or all of the plan-making themselves with paid assistance from within the local Aboriginal community (Wolfe 1993d, vii).

Governments are now reluctant to make payments to organisations or communities without some form of ‘plan’ being in place in that organisation or community. In some cases, these documents are in a real sense ‘plans’, which provide substantive guidance to decision-makers and funding bodies. Unfortunately, that appears to be the exception rather than the rule.

The Aboriginal Plan 1993

So what would be the point of developing an Aboriginal Plan for an entire State? According to the Commissioner for Aboriginal Planning, Cedric Wyatt, the Western Australian Government’s Plan:

provides a clear statement of State Government programs in Aboriginal affairs, and the financial resources which have been provided to implement them (Western Australian Government 1993a, 1).

The impetus for the preparation of the Plan by the Western Australian Government came from the inter-governmental discussions relating to some of the recommendations of the Royal Commission into Aboriginal Deaths in Custody. In
fact, the very first recommendation of the Royal Commission was that governments report on a regular basis regarding the implementation of the recommendations. This was, according to Commissioner Johnston, to ensure that the implementation of the recommendations was carried out ‘in a public way as part of the process of education and reconciliation of the whole society’ (Johnston 1991, vol 1, 29). While the Western Australian Government responded to each of the recommendations of the Royal Commission, as part of the overall national response by governments, the *Aboriginal Plan 1993* provides an overview of the Government’s stated intentions with respect to the Royal Commission recommendations. However, it needs to be remembered that a considerable number of the responses by the Commonwealth, State and Territory governments were really quite disingenuous, and in some respects were misleading as to the true intentions of the governments. Some governments, despite their responses to the recommendations, have actively pursued strategies and implemented policies which have had precisely the opposite effect to those recommended by the Royal Commission.

Prior to the preparation of the *Aboriginal Plan 1993*, the Government had published a *Progress Report* on the implementation of the recommendations of the Royal Commission. It is interesting how the words ‘self determination’ are now being used by governments in Australia. In the *Progress Report* the Government stated that the Aboriginal Plan was being produced because of the Government’s commitment to ‘self determination, co-ordination and accountability’. The Aboriginal Plan was to be incorporated into ‘agency planning, budgeting, monitoring and reporting processes’. It is not clear what this has to do with Aboriginal self determination. It is hard to see how Aboriginal self determination can be advanced when the large mainstream government departments and authorities continue to control the preparation of service plans, make the key decisions about the pattern and nature of service delivery, and decide the funding priorities.

In some respects, the preparation of the Plan represents a step in the right direction. A range of Western Australian Government departments and agencies were involved in the discussions about the Plan. These discussions were coordinated by the Aboriginal Affairs Planning Authority. Some, if not all, of these departments and agencies have been very reluctant to address the implications of the recommendations of the Royal Commission for their policies and practices. Some of these departments and agencies have made no serious attempt to address the questions of service delivery and the concerns of Aboriginal people and Aboriginal organisations. At least the statements in the *Aboriginal Plan 1993* provide a form of commitment, both in terms of processes and policies, and some limited financial commitments. But the record of Australian governments, and particularly the Western Australian Government, in implementing commitments to Aboriginal people does not provide much hope that the situation will improve much following the publication of this document. The key questions, as always, are who will monitor the implementation of the commitments, and what happens if the commitments are not adhered to. It is hard to see how a Plan which will
be monitored by a State Government body, the Aboriginal Affairs Planning Authority, and coordinated by the Aboriginal Affairs Coordinating Committee, will make much difference.

Perhaps not surprisingly, the Aboriginal Plan includes most of the most recent politically correct terminology, such as ‘negotiation’, ‘self determination’ and ‘coordination’. The four main areas of emphasis are: the Criminal Justice Program, which will establish an Aboriginal Justice Advisory Committee, and establish ‘community based management options’ such as home detention and sobering up shelters; the Target Communities Program in six communities, which will provide a 'coordinated response' to improving shelter, sanitation, access to social services and training programs; the Best Start Program which will be piloted in ten Aboriginal communities, which will improve access to education programs for 4 and 5 year old Aboriginal children, and link existing programs in child development and nutrition, literacy and numeracy, parent and community education; and the Community Alcohol Program which is designed to increase the effectiveness of community by-laws in controlling alcohol consumption, educating school children on the problems and alternatives to alcohol and substance abuse, and collecting alcohol consumption figures (Western Australian Government 1993a, 3).

According to the Plan, aspects of each of these broad programs will be implemented by a range of government departments and authorities, and will be coordinated by the Aboriginal Affairs Planning Authority. Total spending under the Plan by the Western Australian Government in 1992–93 was estimated to be $49 million, and $11.9 million was to have been spent by Western Australian departments and authorities with funding from the Commonwealth Government. ATSIC spending was identified as a mere $1.4 million, and other spending was estimated to be $300,000 (Western Australian Government 1993a, 20). However, the document stated that the $62.6 million of spending identified in the Plan was ‘not the total commitment of government resources to Aboriginal affairs/services in Western Australia’. Spending on mainstream services, such as health and education, was not included in the Plan.

By way of comparison, total expenditure under the Aboriginal and Islander Affairs Program of the Queensland Department of Family Services and Aboriginal and Islander Affairs in 1991–92 was $71.9 million and $71.7 million in 1992–93. Included in this program was spending on grants to 31 Aboriginal and Torres Strait Islander Community Councils, training programs for community administrators, housing and accommodation services, the provision and maintenance of major infrastructure in remote areas of Queensland, and land tenure and development activities associated with the State’s land rights legislation (Department of Family Services, Aboriginal and Islander Affairs 1992, 15). Apart from policy differences between the States, however, the higher level of Aboriginal-specific expenditure is partly because the Aboriginal population of Queensland is considerably larger than that of Western Australia or the Northern Territory.

The figures presented in the Aboriginal Plan 1993 provide a very misleading picture of the pattern of government spending on Aboriginal programs and services in
Western Australia. One of the clear impressions from the figures is that the main contributor to spending on Aboriginal programs and services is the Western Australian Government. Of the identified spending of $62.6 million, 78 per cent or $49 million was apparently contributed by the Western Australian Government, and only $13.3 million by the Commonwealth. ATSIC’s contribution appeared to be almost insignificant.

Some of the Western Australian Government spending was funded by Commonwealth specific purpose payments, although this source of funding was not identified in the Plan document. For example, under the heading ‘Social Well-Being’ the Plan identified Western Australian Government spending of $12.7 million on Aboriginal housing in urban and remote areas of the State. In fact, the identified spending on Aboriginal housing was funded from the $15.8 million of payments by the Commonwealth Government to the Western Australian Government under the Aboriginal rental program component of the Commonwealth-State Housing Agreement.

Some of the Western Australian Government spending was based on the untied general revenue assistance from the Commonwealth Government. A number of categories of expenditure included in the Plan have been assessed by the Commonwealth Grants Commission, and are funded by Commonwealth payments to the Western Australian Government under the Aboriginal Community Services category. As the figures in Table 18 show, expenditure on Aboriginal Community Services includes a number of items of expenditure by the Aboriginal Affairs Planning Authority, and many of these items were shown as being funded by the Western Australian Government in the Plan document. Of the $10.8 million of spending by the AAPA identified in the Plan, $3.2 million was on contracting the services of SECWA and WAWA to provide power and water supplies to remote Aboriginal communities. This expenditure was included in the Aboriginal Community Services category of expenditure as assessed by the Commonwealth Grants Commission.

The cynicism of the Plan document is perhaps nowhere more clearly shown than with respect to the expenditure by the AAPA. Much of the spending identified in the Plan was simply ongoing spending that has been relabelled with politically-correct terminology. Much of the spending had already been committed under the National Aboriginal Health Strategy, with the priorities for the expenditure agreed between the Commonwealth and State Government. Many of the initiatives were announced in 1992. For example, spending on acquisition and development of land for leasing to Aboriginal people, which was identified as a Land Tenure and Development subprogram in the AAPA’s Annual Report 1991–92, was labelled as an Economic Self Reliance Program in the Aboriginal Plan in 1993. Spending on the State’s Aboriginal Advisory Council was identified under the Coordination of State Services subprogram in the Annual Report 1991–92, but it is relabelled a Self Determination program in the Aboriginal Plan. There is no doubt that the Western Australian
Government has begun to catch up with the modern terminology of Aboriginal affairs. It is now a question of how long it will take for the Government to update its thinking and policy approaches.

Perhaps the most glaring myth perpetuated by the document related to the level of ATSIC spending in Western Australia. Although it is possible for a researcher to obtain details of ATSIC’s expenditure from its annual reports and other documents, the impression given by the Plan document was that ATSIC’s total spending commitments in Western Australia amounted to only $1.4 million in 1992–93. In fact, as Chapter 9 demonstrates, ATSIC’s total program spending in Western Australia in 1991–92 was $114.4 million, and administration expenditure was a further $8.2 million. By presenting information which suggested that it was the Western Australian Government that was responsible for the bulk of spending on Aboriginal programs and services, the Government gave the impression that it was the only Government prepared to commit significant resources to delivering services and programs to Aboriginal people. Further, by not acknowledging that much of its own spending on Aboriginal programs and services was funded by the Commonwealth Government, either in the form of specific purpose grants or untied financial assistance, the Western Australian Government has presented a very misleading picture.

It is significant that a number of Western Australian departments and agencies which often have a major impact over the lives of Aboriginal people are not included in the Aboriginal Plan 1993. While the Plan used terminology such as ‘self determination’, ‘economic self-reliance’, and ‘social well-being’, some of the major determinants of how these terms are actually applied to Aboriginal people are not included in the Plan. One of the main complaints from Aboriginal people in remote areas has been about the inadequacies and inequities of road funding and road maintenance programs. There were no commitments from the Main Roads department regarding funding for roads to, and within, Aboriginal communities included in the Plan. Similarly, the minimal level of direct service provision by shire councils to many Aboriginal communities, both remote communities and in the main towns, was not mentioned. There were no commitments from the shire councils regarding service delivery. There were no commitments from the State Energy Commission of Western Australia or the Western Australian Water Authority to provide services to remote Aboriginal communities from their own budgets.

Some of the key issues which have a critical effect on Aboriginal ‘social well being’ were not addressed in a substantive way in the Plan. For example, security of land tenure and control over development on the land have been identified by Aboriginal people and Aboriginal organisations as priority issues in many areas of Western Australia. However, although the Government has secured a number of living areas for Aboriginal people (‘matchbox areas’ as they are often described), and Aboriginal interests own a number of pastoral leases, effective control over the land and development on much of the land by Aboriginal people is largely non-existent. In particular, control by Aboriginal people over access to their land by exploration and
mining companies is very weak, and the terms and conditions of such entry are largely determined by the AAPA which administers the Aboriginal Land Trust. It is not surprising that Aboriginal people have few rights with respect to development in Western Australia, and it is equally not surprising that the Aboriginal Plan 1993 was virtually silent on this issue. Indeed, even after the Plan was published, and at the instigation of the Department of Mines, the Government announced a two-year moratorium on the granting of 99 year leases to Aboriginal groups.

One department which has a high degree of involvement with some of the broader economic issues affecting Aboriginal people is the Department of State Development, which has now been reconstituted as the Department of Commerce and Trade. Much of the emphasis in the Department’s Aboriginal Plan is about consultation. The Plan proposed the establishment of an ‘intradepartment committee of representatives from appropriate sections of the Department’, and Aboriginal employee representatives can participate in this committee in order to ‘provide some insight into program delivery’ (Department of State Development 1992b, 6). The Resource Industry Development Branch of the Department deals with major projects in the north-west of the State and the Goldfields:

Approximately 50 State Agreement Acts involved Aboriginal aspirations through the requirements of the Aboriginal Heritage Act. Each of these proposals required some form of site identification and clearance ... Over the last 12 months, 11 projects have been identified as having specific Aboriginal issues, particularly land heritage ones, as well as employment opportunities. This means that about 36% of the Resource Industry Branch’s projects directly involve Aboriginal concerns (11 out of 40) (Department of State Development 1992b, 5).

The Department’s document also stated that:

In the implementation of this program the Department will ensure that development proponents are fully aware of current Government policies in relation to Aboriginal issues (Department of State Development 1992b, 6).

With the current government in Western Australia, in what way could it be said that the government is remotely concerned with protecting the rights and interests of Aboriginal people? What signal would a major resource developer receive from the present Western Australian Government other than to ride roughshod over the interests of Aboriginal people who might be affected by the project. The present Premier’s behaviour and public statements in regard to the High Court’s Mabo decision have been a national disgrace, with The Australian commenting in an editorial that he was ‘pandering to sectional political interests’ (10 June 1993). The Department also stated that it will ‘ensure communities benefit from economic development’. Consulting Aboriginal people affected by major resource developments, and assisting them to establish small enterprises, which is how this objective will be achieved according to the Department’s Plan, will hardly remove the structural disadvantages faced by Aboriginal people in the State. In essence, despite
some of the good intentions expressed in the Plan, it proposed no fundamental changes and does not address the problems faced by many Aboriginal people faced with resource or other forms of development on their land.

Another feature of some of the initiatives included in the Aboriginal Plan 1993 is their limited application, and the correspondingly limited expenditure commitments. The Best Start Project, an early childhood intervention program, will be trialled in a small number of communities, and the Target Communities Project, a social infrastructure project, will be introduced in 6 communities. While it may be too early to be critical of the Government for its reluctance to extend such programs to a wide spread of communities, and commit significant additional resources, the experience of pilot programs in Aboriginal communities is not particularly encouraging. The Western Australian Government’s cultural awareness pilot program for shire councils has not been expanded to all shires in the State with relatively large Aboriginal populations, despite the obvious need for a better understanding of Aboriginal social and cultural values by many shire councillors. There is certainly no guarantee that the pilot projects outlined in the Plan will be expanded in subsequent years, even if they prove to be successful in their initial phase of implementation.

There is also a broader problem with many of the initiatives in the Plan. In places, the Plan referred to ‘negotiations’. For example, one of the short-term targets is to ‘negotiate a process whereby Aboriginal people are involved in Liquor Licensing Act determinations affecting Aboriginal communities’, and to ‘negotiate the establishment of a comprehensive database on economic indicators for Aboriginal people’ (Western Australian Government 1993a, 10–11). An important question, given the pivotal role that the AAPA plays in Aboriginal affairs in Western Australia, is who will actually ‘negotiate’ the implementation of these policies? There is no evidence to suggest that the Government, or any of its departments and agencies, will negotiate with Aboriginal people and their organisations. The control over the negotiations is likely to be in the hands of the AAPA, and the negotiations, to the extent that they occur, will be within Government and will probably not involve any substantive and independent Aboriginal input.

Despite some of the positive aspects of the Aboriginal Plan 1993, and the possibility that there will be improvements in some areas, the Plan does not really address in any substantive manner the structural constraints on Aboriginal people in Western Australia. The implementation of the Plan will, on the whole, not enable Aboriginal people to secure land tenure other than for small excisions. The Plan will not result in a shift in bargaining power towards Aboriginal people, particularly those living in remote areas of the State. Control will largely remain with the AAPA and the other major government departments and authorities in Perth. The centralised control of these departments and authorities over funding priorities and the patterns of service delivery will remain undiminished. There will, however, be a lot more consultative committees established.

The political and policy framework determined by the Government severely constrains the effectiveness of one positive aspect of the Plan: the employment of
Aboriginal people in some of the main departments and authorities. The employment of Aboriginal people, particularly in remote areas of the State, can obviously have some beneficial effects. However, much of the work of these Aboriginal employees can be undermined if, as appears to be the case, they are usually employed on a relatively short-term basis, are in relatively junior positions, and do not have adequate resources and back-up facilities. It is not without significance that the employment figures for the department that has such extensive contacts with individual Aboriginal people, the Police Department, were not included in the Plan document. Overall, the proportion of Aboriginal employees in these eight departments and authorities (1.7 per cent) was considerably less than the proportion of Aboriginal people in the State’s population (2.5 per cent). Even if the proportion of Aboriginal employees were increased to this level, it is hardly likely that a small number of Aboriginal people could make any significance difference to the behaviour of these departments and authorities.

**The report of the Independent Commission to Review Public Sector Finances**

The reports of the Independent Commission to Review Public Sector Finances (the McCarrey Report) were published in June and August 1993. One chapter was devoted to Aboriginal affairs. As was noted in Chapter 4, the Commission published estimates of spending on Aboriginal affairs in the State. The Commission also raised a number of serious issues about service delivery, and the future role of the AAPA, although most of the analysis is superficial. Until the publication of the McCarrey Report the AAPA had not only survived the change of government but also appeared to be seeking to extend its role and influence in the State. The Western Australian Minister for Aboriginal Affairs, Mr Minson, has been reported as saying that the State Government wanted all Commonwealth funding for Aboriginal programs and services to be channelled through the State Government. The AAPA was expected to play a major role in allocating funding.

> If the Federal Government was ‘dinkum’ about helping Aborigines, it should send money via the States. State governments could then administer the funds and would be better able to enforce accountability of taxpayers’ money ... Mr Minson said ATSIC was ineffective and, despite the money it spent, many Aborigines throughout the country were still living in Third World conditions (*The West Australian*, 17 May 1993).

The McCarrey Report has taken this debate a step further. The report argued that the AAPA did not have the resources, the capacity or the legislative mandate to fulfil a role as a mainstream service provider. Many of the programs currently managed by the AAPA should be administered by the mainstream service agencies (Independent Commission to Review Public Sector Finances 1993, 278–9). The future for the AAPA would be ‘advising, consulting and planning’. The report recommended that a new Aboriginal Affairs Steering Committee be established, and that the AAPA
establish a network of regional Aboriginal resource offices. These offices, and the regional groups, would identify Aboriginal needs and priorities in the region; establish priorities for programs identified by local Aboriginal communities in the region; negotiate resources for these programs with the mainstream agencies; implement strategies and programs for delivering services; and monitor the establishment and effectiveness of Aboriginal specific programs in the region (Independent Commission to Review Public Sector Finances 1993, vol 2, 282). It is not at all clear where the ATSIC regional councils would fit into this new structure, but it is significant that the report recommended that the boundaries of the areas that would be the responsibility of the regional offices should be drawn up to coincide with the ATSIC regions and the shire councils. Further, the Commission's report argued that the new structure was consistent with the National Commitment proposals and should be:

... promoted to the Commonwealth as the basis for a tri-lateral agreement between all three levels of government for funding and delivery of services (Independent Commission to Review Public Sector Finances 1993, vol 2, 273).

These proposals would have important implications for Aboriginal people, and the future role of ATSIC in Western Australia, if they were to be implemented by the State Government and accepted by the Commonwealth Government. It is highly likely that the views and priorities of the ATSIC regional councils would be completely ignored by the Western Australian Government. Some of these issues are further discussed in Chapter 9.

Housing

Total Commonwealth-State Housing Agreement payments by the Commonwealth to the Western Australian Government amounted to $101.5 million in 1991–92 and $106.3 million in 1992–93. Included in these figures were the specific purpose payments for Aboriginal housing of $15.8 million in each year. In addition to these specific purpose payments, the Western Australian Government’s general revenue assistance, assessed by the Commonwealth Grants Commission, includes assessments based on housing expenditure.

As was discussed in Chapter 2, ATSIC commissioned Australian Construction Services to undertake a national housing and community infrastructure survey. The survey estimated that considerable amounts of expenditure would be required to overcome the housing deficiencies in Aboriginal communities in the Kimberley region (as well as nationally). For the six ATSIC regional councils in the region the survey suggested that total expenditure of $128.2 million would be required for new housing, and $19 million for the repair of existing houses. The new housing expenditure was more than half of the expenditure required for non-urban Aboriginal communities in Western Australia, and 11 per cent of the national requirement for non-urban areas. The survey estimated that approximately 4,400 Aboriginal people required housing, which represented 30 per cent of the total Aboriginal population of
the six Kimberley regional councils. Data from the 1991 Census showed that 40 per cent of the dwellings occupied by Aboriginal people in the Kimberley region were some form of improvised housing, and 49 per cent of the Aboriginal population for which data were available lived in this type of housing (Table 6). On the basis of these figures, one would expect that the State Government and ATSIC to give a relatively high priority to expenditure on new housing, and housing repairs and maintenance in the Kimberley region. Indeed, given the figures for the State, one would expect expenditure on Aboriginal housing, or on housing for Aboriginal people, to receive a relatively high priority. There is little evidence that the State Government accords such a priority to Aboriginal housing and community infrastructure.

The 1991 Census figures included details of the type of landlord for occupied dwellings. For each of the four shires the relevant tables in the Aboriginal Community Profiles include large non-stated or inadequately stated figures. However, based on the data that was provided, the Shire of Broome had the highest proportion of dwellings occupied by Aboriginal people that were rented from Homeswest (41 per cent), while the Shire of Derby–West Kimberley had the lowest proportion (21 per cent). For the Kimberley region as a whole, 30 per cent of the dwellings occupied by Aboriginal people were rented from Homeswest (511 dwellings), and a further 4 per cent of the dwellings were rented from other government agencies. The comparison with the non-Aboriginal population is particularly revealing. Only 13 per cent of the dwellings occupied by non-Aboriginal people were rented from Homeswest, but 11 per cent of the dwellings were rented from other government agencies. Aboriginal people rented 74 dwellings from other government agencies, but 648 dwellings were rented by non-Aboriginal people from other government agencies. Overall, the number of dwellings rented from all government agencies by non-Aboriginal people (1,425 dwellings) was almost three times the number of dwellings rented to Aboriginal people (585 dwellings). Of course many of these houses are occupied by staff of the government departments and agencies in the region.

The Western Australian Government’s expenditure on Aboriginal housing has been limited to the tied funding the Government has been receiving under the Commonwealth-State Housing Agreement for Aboriginal rental housing. There has been very considerable reluctance to use general public housing funds for the construction and maintenance of Aboriginal housing, despite the high priorities for such expenditure. Very rarely, if ever, is money from the general public housing fund utilised for Aboriginal housing. To the extent that the Government ever defends its record in Aboriginal affairs, the argument that has been put forward to justify this situation has been that specific Aboriginal housing is not constructed from the general housing fund because Aboriginal people comprise a significant proportion of the total public rental market in the State.

Aboriginal housing programs in Western Australia are administered by the Aboriginal Housing Board, an Aboriginal advisory body which reports to the Minister for Housing. According to Homeswest, the Board and the Aboriginal Housing Branch
endeavour to ‘involve Aboriginal people at the “Grass roots” level’ (Homeswest 1993, 5), what ever that is. The Chairman of the Aboriginal Housing Board has been invited to attend board meetings of Homeswest, but the opportunity to argue the case for additional resources for Aboriginal housing at board level has, at least until recently, only infrequently been taken. The costs of the Aboriginal Housing Board are not separately identifiable, but according to the Minister for Housing the total costs of the Aboriginal Housing Branch in Homeswest were $598,234 in 1989–90 and $490,506 in 1990–91 (Parliamentary Debates, Legislative Assembly, 6 February 1992, 8232). Total management costs of Homeswest in 1990–91 were $44.1 million, suggesting that the Aboriginal Housing Branch represented about 1.1 per cent of the total administrative costs of Homeswest.

The Aboriginal housing funding is administered by Homeswest. In 1991–92, expenditure on Aboriginal housing by Homeswest was $15.3 million, of which $8.39 million was for the construction, or completion, of houses in the metropolitan and country centres, $3.9 million for expenditure on the remote areas (‘village’) program, and $1.39 million for upgrading existing houses (Homeswest 1992, 13). The metropolitan and country centres funding was for the construction of 82 houses, 17 spot purchases, and the completion of 94 houses. Five of the 82 new houses were built in Derby and Halls Creek (Parliamentary Debates, Legislative Council, 5 November 1992, 6308–9).

Table 29 Homeswest expenditure on housing, Kimberley region, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Homeswest</th>
<th>Aboriginal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($000)</td>
<td>($000)</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>1,051</td>
<td>1,257</td>
<td>2,308</td>
</tr>
<tr>
<td>Villages</td>
<td></td>
<td>824</td>
<td>824</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,593</td>
<td>616</td>
<td>2,209</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,644</td>
<td>2,697</td>
<td>5,341</td>
</tr>
</tbody>
</table>

Source: Homeswest (personal correspondence)

In 1992–93, expenditure on Aboriginal rental housing was $8.8 million on works in progress and $8.2 million on completed works. To put these figures into some perspective, the total capital works program of Homeswest in 1991–92 was $177.5 million and $331 million in 1992–93 (Western Australia, Supplement to the Capital Works Estimates, 1992–93, 2). Capital works spending on Aboriginal housing represented less than 6 per cent of the total Homeswest’s capital works program in 1991–92 and 1992–93. The increase in capital works spending on Aboriginal housing in 1992–93 was the result of delays in the construction of housing in 1991–92. Consequently, despite the apparent increase in spending in 1992–93, the share
accounted for by Aboriginal rental housing of the total Homeswest program appears to have fallen in these years. Only $25.2 million of the expenditure by Homeswest and the Aboriginal Housing Board was attributable to Aboriginal people (Independent Commission to Review Public Sector Finances 1993, 269). In the 1993–94 budget expenditure of $16.6 million was allocated for the completion of 131 dwellings and the commencement of a further 100 houses in urban areas (Western Australia, Budget Paper No 4 1993–94, 8).

At June 1992 the Aboriginal Housing Board administered 2,460 rental properties in Western Australia, of which 1,101 were in country areas, 730 in Perth, and 629 in the North West (Homeswest 1992, 13). According to Homeswest’s Kimberley regional office in Broome, 396 of the Aboriginal Housing Board’s houses are in the Kimberley region. The AHB stock represented about one-quarter of Homeswest’s total housing stock in the Kimberley region. In the town of Halls Creek, Homeswest provides approximately 95 per cent of the residential buildings. This includes 22 houses built at Yardgee community, 18 of which are unoccupied (Minutes, Shire of Halls Creek, Ordinary Council Meeting, 27 May 1993, 21). In 1991–92 the stock of housing administered by the Board increased by 71 houses. These figures do not represent the total stock of Aboriginal housing in the Kimberley region, since houses in smaller communities (‘villages’) on Aboriginal land are not owned by Homeswest. Homeswest’s financial statements include an estimate of the value of the housing stock funded by the Commonwealth-State Housing Agreement payments.

According to the then Minister for Housing, in answer to a question in the Legislative Assembly (Parliamentary Debates, 6 February 1992, 8228), at the end of November 1991 there were 2,441 Aboriginal tenants occupying ‘Aboriginal grant funded properties’, with a further 1,339 Aboriginal applicants on Homeswest’s housing lists. Aboriginal applicants constituted 6 per cent of the applications for Homeswest rental housing (Western Australian Government 1993a, 31). Commissioner Dodson, in his Western Australian report for the Royal Commission into Aboriginal Deaths in Custody, described the waiting list of 1,206 Aboriginal people in May 1990 as ‘alarming’ given that Aboriginal people were only 2.7 per cent of the State population (Dodson 1991, 610). However, according to the Minister, Aboriginal people also occupy the ‘mainstream rental properties’, but the number was unknown because Homeswest does not require applicants to declare their ‘nationality’. One wonders exactly what this answer was suggesting: that Aboriginal people are not Australian citizens? Commissioner Dodson suggested that the actual number of ‘homeless’ Aboriginal people, or people waiting for housing, may well be very much higher than the Government’s estimates. In some areas, such as Derby and Fitzroy Crossing, the situation has been described as ‘desperate’ (Shire of Derby–West Kimberley, Minutes, Ordinary Council Meeting, 30 June 1993).

Included in the $19.7 million of spending in 1992–93 was the commencement of the construction of 58 homes (26 to be completed), under the remote areas (‘village’) program, in the Kimberley, Eastern Goldfields and the Western Desert regions. Expenditure in 1991–92 in these regions was $6 million, including the completion of
Aboriginal people in the economy of the Kimberley region

houses commenced in the previous financial year. According to the Western Australian budget papers:

Homeswest, through the Aboriginal Housing Board, will also be launching a new initiative with a number of Aboriginal communities in Derby, Fitzroy Crossing and Halls Creek. A maintenance and minor works program is planned to be undertaken on particular identified ‘cluster’ or ‘village’ housing projects subject to the local community agreeing to a management plan with clear objectives to be achieved including a defined rental structure and collection plan (Western Australia, Supplement to the Capital Works Estimates, 1992–93, 2)

Table 30 Stock of Homeswest housing in the Kimberley region, February 1993

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>11</td>
<td>14</td>
<td>84</td>
<td>20</td>
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</tr>
<tr>
<td>Homeswest</td>
<td>59</td>
<td>115</td>
<td>311</td>
<td>18</td>
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<tr>
<td>Camballin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Homeswest</td>
<td>–</td>
<td>1</td>
<td>5</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Derby</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>3</td>
<td>4</td>
<td>46</td>
<td>16</td>
<td>–</td>
</tr>
<tr>
<td>Homeswest</td>
<td>5</td>
<td>86</td>
<td>131</td>
<td>15</td>
<td>2</td>
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<tr>
<td>Fitzroy Crossing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>–</td>
<td>1</td>
<td>18</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>Homeswest</td>
<td>–</td>
<td>–</td>
<td>11</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>Halls Creek</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>17</td>
<td>5</td>
<td>64</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Homeswest</td>
<td>6</td>
<td>13</td>
<td>28</td>
<td>6</td>
<td>1</td>
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<tr>
<td>Kununurra</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>3</td>
<td>2</td>
<td>34</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Homeswest</td>
<td>–</td>
<td>81</td>
<td>158</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Wyndham</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AHB</td>
<td>4</td>
<td>4</td>
<td>15</td>
<td>3</td>
<td>–</td>
</tr>
<tr>
<td>Homeswest</td>
<td>–</td>
<td>28</td>
<td>58</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
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<td>38</td>
<td>30</td>
<td>261</td>
<td>63</td>
<td>4</td>
</tr>
<tr>
<td>Homeswest</td>
<td>70</td>
<td>324</td>
<td>702</td>
<td>51</td>
<td>3</td>
</tr>
</tbody>
</table>

*Note: AHB is the Aboriginal Housing Board
Source: Homeswest Kimberley Regional Office Broome

During the consultations over the recommendations of the Royal Commission into Aboriginal Deaths in Custody by the Kimberley Land Council, concerns over housing were yet again raised by many Aboriginal people. These concerns covered a variety of issues, including the way houses were built and where the houses were built, but the
most common criticism was the inadequate level of consultation and negotiation with people in communities by government departments and contractors (Kimberley Land Council 1992, 63–4).

As was previously mentioned, the Commonwealth-State Housing Agreement funding for Aboriginal rental housing that has been channelled through Homeswest will in future be channelled through ATSIC, and combined (‘broad banded’) into the ATSI Community Housing and Infrastructure Program. Consistent with the National Commitment, ATSIC will then provide all of this funding to Homeswest, and Homeswest will provide Aboriginal rental housing in Western Australia, subject to a bilateral agreement with ATSIC.

Although the former Minister for Housing may have been unable to provide figures to the Parliament about the number of Aboriginal tenants in public housing, this has not prevented the Government from arguing that Aboriginal tenants impose higher costs on Homeswest, and that the Commonwealth Grants Commission should take this into account in its assessment of the State’s general revenue assistance. In Chapter 4, the summary of the Western Australian Government’s submission to the Commonwealth Grants Commission included a number of references to Aboriginal housing. As the submission argued, in the context of the ‘social composition’ weighting factor:

> Aboriginal households make relatively greater use of public rental accommodation in Western Australia and other States than other population subgroups. This results in a cost disability for Western Australia, reflecting the State’s large Aboriginal population (Western Australian Government 1991, 267).

The higher reliance on public rental accommodation was, according to the Government’s submission, due to the relatively low incomes of Aboriginal people, their difficulties in obtaining private rental housing and low rates of home ownership. Although the submission may have indicated a degree of sympathy to the problems experienced by many Aboriginal people, evidence presented to Commissioner Dodson showed how many people had been evicted from Homeswest houses because of their inability to pay the rent, and that rent arrears and repair costs made it almost impossible for many Aboriginal people to obtain other housing (Dodson 1991, 611).

For 1990–91, Homeswest estimated that the additional maintenance costs for housing Aboriginal tenants were $2.1 million, of which $1.3 million was for day-to-day maintenance and $828,000 was for maintenance when the houses were vacated (Western Australian Government 1991, 269). The Commonwealth Grants Commission noted that expenditure on recurrent housing operations had not previously been included in its reviews. The inclusion of recurrent housing costs in the assessments was supported by the Western Australian Government. The Grants Commission included a weighting for Aboriginality, accepting the argument that Aboriginal people comprise a significant proportion of public housing clients (Commonwealth Grants Commission 1993, vol 2, 107–8).

A further argument put by the Western Australian Government to the Commonwealth Grants Commission, which to some extent bears on the cost of housing programs,
related to the costs of 'land use planning' associated with the establishment of Aboriginal communities. The Northern Territory has benefited from the inclusion of this expenditure as a cost of 'stage of development', and the Western Australian Government sought to be treated in a similar way. The Government's submission noted that there were about 235 Aboriginal communities in Western Australia, compared with 166 communities in 1985. Under the Commonwealth/State land agreement 23 pastoral excisions and 28 living areas on vacant crown land and crown reserves had been negotiated since 1987. The total expenditure associated with securing land tenure was $1.02 million in the period 1987–91. The submission is somewhat disingenuous when it states the 'AAPA has actively pursued secure land tenure' for Aboriginal groups, and that the costs are borne by the State. The intransigence, and at times outright hostility, of the Western Australian Government over many decades about granting land and living areas for Aboriginal people seems to have conveniently been overlooked. The impression given in this part of the submission is that the establishment of living areas for Aboriginal people has been a Western Australian Government initiative (Western Australian Government 1991, 278–9). However, in a later section the Government makes it clear that:

The homelands movement has been the outcome of Commonwealth policy (increasingly reflected in State policy) to allow Aboriginal people to regain effective control over their lives by re-asserting their spiritual and customary ties to the land (Western Australian Government 1991, 284).

In September 1991 the then Minister for Housing announced that for the 1991–92 financial year the Government would introduce a preference of up to 10 per cent for companies or organisations which have 75 per cent ownership or management by Aboriginal people or where a majority of the employees of the company are Aboriginal people. The new policy was, according to the Minister, designed to overcome the high rates of unemployment among Aboriginal people:

Also of concern is the fact that housing for Aborigines is overwhelmingly provided by non-Aboriginal people leading generally to a consequent lack of ownership by Aboriginal people of their houses, as is evidenced by the high maintenance costs which are incurred by Homeswest for Aboriginal housing (Parliamentary Debates, Legislative Assembly, 18 September 1991).

When questioned about the Aboriginal Preference Policy five months later, when the financial year was finished, the Minister replied that no houses or buildings had been constructed by Aboriginal companies, although several companies 'have expressed interest in the scheme' (Parliamentary Debates, Legislative Assembly, 6 February 1992). A year later, the Aboriginal Plan 1993 announced that 'supporting Aboriginal housing companies' through the renamed Aboriginal Tender Preference Scheme was a 'major target' of the Government and Homeswest for 1993 (Western Australian Government 1993a).
Health

The level and pattern of State Government spending on health is significantly affected by payments from the Commonwealth Government. These payments include specific purpose payments, and general revenue assistance assessed by the Commonwealth Grants Commission. Specific purpose payments by the Commonwealth to the Western Australian Government for health have been the second largest category of such payments received by the Western Australian Government. The total specific purpose payments to the Western Australian Government for health in 1991–92 amounted to $376 million, and $402 million in 1992–93. Hospital funding grants accounted for the bulk of the funding ($341 million in 1991–92 and $350 million in 1992–93). The specific purpose payments from the Commonwealth accounted for about 30 per cent of the Health Department’s spending in 1991–92.

In addition, part of the untied general revenue assistance received by the Western Australian Government is based on the Government’s recurrent expenditure on health. According to the Commonwealth Grants Commission, State government spending on public hospital services is the largest single category of State and Territory government expenditure, comprising about 20 per cent of the total (Commonwealth Grants Commission 1993, vol 2, 73). This is a controversial area of expenditure, and the debates about the funding assessments are very complex and beyond the scope of this book. However, factors associated with the Aboriginal population are included in the calculations, including Aboriginal standard usage rates of hospital services.

No one doubts that the health situation of much of the Aboriginal population of Western Australia, as in many other parts of Australia, is appalling. As the Royal Commission into Aboriginal Deaths in Custody argued, an explanation for the present situation cannot disregard the impact of history:

The current poor health status within the Aboriginal community can largely be attributed to the extreme poverty and social and cultural deprivation resulting from the oppression and dispossession which has occurred in Western Australia since 1829. The failure of the non-Aboriginals to allow Aboriginal people to continue maintenance of their own life style; the exposure to new introduced diseases; the disruption of communities by forced relocation; and of family groups by the forced removal of children, resulted in marked changes in health. This was compounded by the denial of access to basic requirements for a healthy life namely: sustainable income, shelter, education, basic resources (clean water, food) and services such as health care and waste disposal. What is so often forgotten or overlooked in terms of Aboriginal health is the importance of land for spiritual as well as material welfare. If Aboriginal people did require health services there was no guarantee that they would receive it, owing to the absence of health services near them, the inability to pay for the services, and the reluctance to treat Aboriginal people (Dodson 1991, 617–8).

The situation in the Kimberley and the Pilbara regions, on some measures, is particularly bad. An excellent summary of the health statistics for Aboriginal people in the Kimberley region was published by the CSIRO Division of Human Nutrition in 1990 (Smith, Hunter, Spargo & Hall 1990).
Aboriginal people in the economy of the Kimberley region

Other comparative regional information has been compiled by the Health Department of Western Australia. For example:

- Aboriginal males die at a rate four times that for non-Aboriginal males in the Kimberley region, and Aboriginal females die at five times the rate for non-Aboriginal females
- deaths due to circulatory/heart disease are less common in the Kimberley region than other parts of the State
- deaths due to respiratory disease and injury/poisoning are three times more common amongst Aboriginal males than non-Aboriginal males in the region
- on average, Aboriginal men die 17 years younger than non-Aboriginal men, and Aboriginal women 11 years younger than non-Aboriginal women, in the region
- Aboriginal people are admitted to hospital for medical reasons five times more frequently than non-Aboriginal people in the region
- the eye disease trachoma is extremely common amongst many Aboriginal people in the region
- the Kimberley region has the highest per capita consumption of alcohol in Australia (Health Department of Western Australia 1992b).

Information on environmental health ratings is collected by the Health Department, but the Department stated that its information needed to be treated cautiously since it only serviced about 25 per cent of the Aboriginal communities in the Kimberley region (Health Department of Western Australia 1992a, 30). However, despite the worrying statistics quoted above, other figures compiled by the Health Department of Western Australia show that the expectation of life at birth for Aboriginal people in the Kimberley region in the mid-1980s was substantially greater than for Aborigines in Western Australia as a whole. This was predominantly explained by the ‘later impact of urbanisation and westernisation’ in the remote areas of the State (Veroni, Rouse & Gracey 1992, 61–6). The report, Mortality in Western Australia 1983–89, concluded that overall there had been no significant change in rates of mortality among Aboriginal people since the previous study in 1983. The report contained a considerable amount of statistical material, particularly on a regional basis. However, given everything that has been written about Aboriginal health, including the research that led to the development of the National Aboriginal Health Strategy, it is extraordinary that a government report published in 1992 could finish with the following sentence:

It is important to ask why this remarkable and beneficial trend which has occurred throughout the Western Australian community has not been shared by its Aboriginal population (Veroni, Rouse & Gracey 1992, 65).

When the report was released by the Minister for Health in March 1993 he announced that Aboriginal health must be given ‘a priority’. If the Department can still be asking why Aboriginal mortality rates are so much higher than those for non-Aboriginal
people, even after it has endorsed the National Aboriginal Health Strategy, then one would have to be suspicious about the chances of any meaningful improvements in Government service delivery performance.

As with many Western Australian Government departments and agencies, Commissioner Dodson was critical of the Health Department of Western Australia. He noted that although Aboriginal health status was widely recognised as being the worst of any sector of the community, the Department, at the time of writing, appeared not to have addressed it as the priority issue that others in the community would consider it to be (Dodson 1991, 645). He noted that the Department had established an Aboriginal Health Policy Unit, but although:

[its] aims sound impressive the realities of policy and ideals versus the implementation and attitudes of those who actually have contact with Aboriginal people in the community is quite different. The possibility of a small policy unit to influence attitudes in the whole of a large bureaucracy is remote (Dodson 1991, 646).

Commissioner Dodson noted that the Western Australian Aboriginal Health Policy Review Team, which had recently been established by the Government, was strongly of the view that the Health Department should:

remove itself from the area of health service delivery and provide adequate resources to community controlled Aboriginal organisations to enable them to provide the health service delivery required in their own communities (Dodson 1991, 650).

These comments were made despite the fact that the Department’s 1986 review of health and illness in the State identified Aboriginal ill-health as one of its 12 health priorities. When the statistics on premature death, hospitalisation and chronic disability were considered, Aboriginal health was one of the five priorities of the 12 requiring immediate action (Thomson & Briscoc 1991, 3).

In June 1990 at a Joint Ministerial Forum of Health and Aboriginal Affairs ministers, all governments in Australia endorsed the National Aboriginal Health Strategy. In December 1990 the Commonwealth Government announced that it would commit $232 million over a five year period for the implementation of the Strategy. A considerable proportion of this spending was to be allocated for community infrastructure projects, particularly water and sewerage, electricity and roads, in recognition of the importance of environmental health issues. However Commissioner Johnston was concerned that the Commonwealth’s commitment was:

less than one fifth of that estimated as being needed by the Development Group comprised almost entirely of government officials. Even then, the actual level of Federal funding will depend to some degree on the States and Territories making ‘substantial contributions’ (Johnston 1991, vol 4, 267–8).

Pursuant to the Strategy, agreements have been negotiated between the Commonwealth, State and Territory governments, to ensure that the State and Territory governments commit additional resources to the implementation of the
Aboriginal people in the economy of the Kimberley region

Strategy. An additional $21 million of ATSIC National Aboriginal Health Strategy funding was released in 1991–92, with the States and Territories agreeing to allocate an additional $43.4 million for Aboriginal health projects (Commonwealth of Australia 1992b, 147).

One of the main concerns about the Strategy has been the complexity of the administrative procedures that have evolved to implement the Strategy. The overwhelming emphasis on planning and the achievement of measurable outcomes is apparent from the following summary prepared by the Office of Aboriginal Health of the processes and structures: Aboriginal communities will prepare comprehensive community development plans which encompass ‘all community objectives’; Aboriginal organisations will prepare strategic plans which are consistent with community plans; ATSIC regional councils will prepare regional plans, and make funding decisions which ‘take into consideration’ community plans, organisational, community and regional priorities; State and Territory Tripartite Forums will use the regional plans, community development plans and other sources of information to ‘assist in assessing priorities’, and negotiate State and Territory funding priorities; and finally the Council for Aboriginal Health takes advice from the Tripartite Forums and provides feedback to ministers and ATSIC (Office of Aboriginal Health 1991).

It is hard to see how these processes are consistent with ATSIC’s statement to the Commonwealth Parliament during the Estimates Committee proceedings that the ‘structural reform’ introduced through the commencement of the Strategy will ‘increase administrative efficiency’ (Commonwealth of Australia 1992b, 148). It is not surprising that the Deputy Chairman of ATSIC, Sol Bellear, publicly expressed his frustration at the process (AAP report, 30 September 1992):

> We have these meetings, we have State Tripartite Forums, we have Council of Aboriginal Health meetings, the health portfolio commissioners’ meetings, bureaucrats have theirs, ministers have theirs and the money’s just going down the gurgler with all these meetings.

The Royal Commission made numerous recommendations in relation to Aboriginal health, many of which were consistent with the priorities identified in the National Aboriginal Health Strategy. The Western Australian Government gave in principle agreement to nearly all of these recommendations. The key issue will be the actual outcomes.

In November 1990 a Select Committee of the Western Australian Legislative Assembly was established to inquire into the provision of services by small country hospitals and nursing posts. ‘Small’ was defined as servicing a population of less than 3,000 people. The two volume report of the committee was published in May 1992. One of the first points made by the Committee was that: ‘The Commonwealth Government has major and far reaching influence on the structure and processes of the health system in Western Australia’ (Select Committee on Country Hospitals and Nursing Posts 1992, vol 1, 17).
The Select Committee also commented on the recent developments in Aboriginal health policy. The Committee noted that environmental health was the most critical health problem facing Aboriginal communities, and that local government has a role to play in addressing these problems. Although noting that the State Tripartite Forum had been established under the National Aboriginal Health Strategy, and that the Government was reviewing the Health Act and the Local Government Act, it still believed that:

Despite these developments, the Committee is extremely concerned at the slow pace at which critical health issues are being addressed in remote Aboriginal communities ... there appears to be little coordination between local, state and federal governments, which all have important responsibilities in this area (Select Committee on Country Hospitals and Nursing Posts 1992, vol 1, 38).

However, it is extraordinary that the first recommendation from the Committee from this section reinforced the assertion that local governments do not receive funding to provide services to Aboriginal people, and that to do so they will need additional funding. Of course, the Committee suggested that the Commonwealth should provide this funding:

It is recommended that, as a matter of critical urgency, the State Government develop a fair mechanism for compensating affected local government authorities for the provision of essential environmental health services in remote Aboriginal communities, and prevail upon the Commonwealth Government to increase the level of funding for that purpose (Select Committee on Country Hospitals and Nursing Posts 1992, vol 1, 38).

The Committee concentrated its attention on the small hospitals in Fitzroy Crossing, Halls Creek and Wyndham. There is a regional hospital in Derby, and hospitals in Kununurra and Broome, but these hospitals were not part of the Committee’s terms of reference. The Committee made a number of observations about the Kimberley region. As expected, the dominant theme of the submissions to the Committee related to Aboriginal health and the role of environmental and social factors in health status. Despite the supposed emphasis given to environmental health by governments, and endorsed by the National Aboriginal Health Strategy, the Committee noted that there was only one officer in the Kimberley region to support the 26 Aboriginal Environmental Health Workers. Further, the salary of the environmental health workers in the remote communities was based on Community Development Employment Projects scheme wage payments plus a supplementary payment from the Health Department. In fact, an Assistant Commissioner for Health suggested that the use of CDEP funding was one way of encouraging the uptake of the scheme in communities in the Pilbara and Kimberley regions (Parliamentary Debates, Legislative Council, Estimates Committee, 14 October 1992, 97).

There are clearly problems with the environmental health worker program. The Assistant Commissioner for Health pointed out in the Legislative Assembly Estimates Committee (16 October 1991, 395) that there was a lack of support for environmental health workers. While the Department had allocated $950,000 for the program, in
time the Department was expecting that ‘matching funds or full responsibility for those wages’ would come from the Aboriginal communities or from shire councils. The program only operates in the Kimberley and Pilbara regions, although it will be extended to other areas in coming years.

**Table 31 Recurrent spending by the Health Department in the Kimberley region, 1991–92**

<table>
<thead>
<tr>
<th></th>
<th>$000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child health</td>
<td>158.6</td>
</tr>
<tr>
<td>School health</td>
<td>179.9</td>
</tr>
<tr>
<td>Community health</td>
<td>305.8</td>
</tr>
<tr>
<td>Itinerant health</td>
<td>4,775.4</td>
</tr>
<tr>
<td>Health inspection</td>
<td>391.9</td>
</tr>
<tr>
<td>Disease control</td>
<td>438.1</td>
</tr>
<tr>
<td>Regional director</td>
<td>777.3</td>
</tr>
<tr>
<td>Other (hospitals)</td>
<td>28,815.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>35,842.0</td>
</tr>
</tbody>
</table>

Source: Health Department of Western Australia, Derby Regional Office

The Health Department has compiled expenditures on a regional basis. The Kimberley region has received a high level of per capita funding compared with other parts of the State. In 1991–92 the per capita spending on health in the Kimberley region was $1,495, followed by the Pilbara region. However, the per capita estimates for the Kimberley region were based on a regional population of 24,843 people in 1990. As was demonstrated in Chapter 2, the resident population of the region was only 22,851 at the 1991 Census, so the per capita expenditure estimates need to be adjusted accordingly.

In general, the Department stated that funding had been allocated according to the historical model. That is, the funding a region receives has been based on the previous year’s funding plus or minus a small amount, depending on economic circumstances. However, the Department was planning to introduce formula-based allocation methods, based on estimates of ‘need’.

Of particular concern in the Kimberley is that funding allocations will be largely determined by illness related data, with assumptions made about associated workload. Whilst this may be reasonable in relation to hospital funding, the clinical work currently performed by Community Health, which has no standardised workload measures in place, is likely to be undervalued. This has serious implications for the Kimberley Region where Community Health Services fulfil a far greater illness treatment/curative role than in any other Region. Indeed for a large proportion of our population, Community Health is virtually the sole
source of health care, not forgetting, of course, the service augmentation provided by the Royal Flying Doctor Service (Health Department of Western Australia 1992b, 18).

Table 32 Western Australian Department of Health gross expenditure, by country region, 1991–92

<table>
<thead>
<tr>
<th>Population 1990</th>
<th>Total expenditure ($000)</th>
<th>Expenditure per capita ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Wheatbelt</td>
<td>50,953</td>
<td>26,898</td>
</tr>
<tr>
<td>Goldfields</td>
<td>53,604</td>
<td>33,288</td>
</tr>
<tr>
<td>Great Southern</td>
<td>67,503</td>
<td>41,245</td>
</tr>
<tr>
<td>Mid West Gascoyne</td>
<td>63,623</td>
<td>31,524</td>
</tr>
<tr>
<td>Pilbara</td>
<td>46,199</td>
<td>31,598</td>
</tr>
<tr>
<td>South West</td>
<td>42,402</td>
<td>55,558</td>
</tr>
<tr>
<td>Kimberley</td>
<td>24,843</td>
<td>37,160</td>
</tr>
</tbody>
</table>

Source: Health Department of Western Australia (1992b, 18)

As with many other areas of government expenditure, including ATSIC funding, there are ongoing debates about the distribution of funds within the State. Although the per capita funding in one year, 1991–92 was higher in the Kimberley than elsewhere in the State, other factors may need to be taken into account to assess the appropriateness of this level of funding for future years. For example, the Select Committee noted:

... there is an unequal distribution of resources, partly the result of historical factors, which results in marked disparities in health service distribution between regions. In the north of the State there are relatively few small hospitals and nursing posts, populations are separated by vast distances and there are severe health problems in the Aboriginal communities. By contrast, in the Central Wheatbelt, where populations are declining, there is a network of small, frequently under-utilised hospitals in fairly close proximity (Select Committee on Country Hospitals and Nursing Posts 1992, vol 1, 98).

The Committee recommended that resource allocation models based on a population formula, both its size and composition, be adopted. The reasoning was that funds should go to populations and communities rather than to hospitals and other health care providers based on historical expenditure patterns. This was endorsed by the Health Department in its response to the Committee’s report. The draft of the Western Australian Strategic Plan for Aboriginal Health, proposed by the State Tripartite Forum, went further, and proposed that the distribution of funding should: ‘... achieve equity in health status rather than necessarily providing an equal distribution of resources’ (Health Department of Western Australia 1992b, 30).
Table 33 Recurrent expenditure by hospitals in the Kimberley region, 1990–91 and 1991–92

<table>
<thead>
<tr>
<th>Hospital</th>
<th>1990–91</th>
<th>1991–92</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome District Hospital</td>
<td>4,666,253</td>
<td>4,592,314</td>
</tr>
<tr>
<td>Derby Regional Hospital</td>
<td>13,106,782</td>
<td>13,539,400</td>
</tr>
<tr>
<td>Fitzroy Crossing District Hospital</td>
<td>1,541,871</td>
<td>1,517,927</td>
</tr>
<tr>
<td>Halls Creek District Hospital</td>
<td>1,223,346</td>
<td>1,253,981</td>
</tr>
<tr>
<td>Kununurra District Hospital</td>
<td>3,659,307</td>
<td>3,869,387</td>
</tr>
<tr>
<td>Wyndham District Hospital</td>
<td>3,430,584</td>
<td>3,178,285</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>27,628,143</td>
<td>27,951,294</td>
</tr>
</tbody>
</table>

Source: Health Department of Western Australia (1991 & 1993)

Spending by the Health Department in the region has been dominated by the expenditure on the hospitals. The administration of the Kimberley Health Region of the Department has questioned the appropriateness of this emphasis, particularly given the health and other problems of the Aboriginal population:

Finally, it is important to realise that, to a large extent, current methods of resource distribution within our region are governed by legislation which tends to favour single institutions such as hospitals. The level of a hospital's funding is largely determined by such factors as the number of patients admitted and the type of procedures undertaken in the hospital. Conversely, Community Health has little legislative protection for its funding base and is much less able to accurately demonstrate activity, workload and need (Health Department of Western Australia 1992b, 30).

Table 34 Net expenditure and staffing levels, Kimberley Health Region, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Expenditure ($ million)</th>
<th>Per cent</th>
<th>Full-time employees</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospitals</td>
<td>28.245</td>
<td>82.2</td>
<td>561</td>
<td>84.3</td>
</tr>
<tr>
<td>Community Health and</td>
<td>6.250</td>
<td>17.8</td>
<td>88</td>
<td>15.7</td>
</tr>
<tr>
<td>Preventative Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Health Department of Western Australia (1992b, 31)

Apart from the recurrent expenditure, the Health Department was responsible for $1.3 million of capital works expenditure in the Kimberley region in 1991–92, and during the year the Department completed work on the $9.8 million stage 1 redevelopment of the Derby Regional Hospital. All of the capital works expenditure in the region, other
than that on the Derby Regional Hospital, was for staff accommodation at the other hospitals (Health Department of Western Australia 1993a).

The Independent Commission to Review Public Sector Finances estimated that of the $447 million spent on mainstream services which were utilised by Aboriginal people, $160 million was spent by the Health Department in 1992–93, approximately 10 per cent of the Department's total budget. However, these types of estimates need to be treated very cautiously, particularly if they are being used to defend the government's record in Aboriginal affairs. Aboriginal-specific expenditure in 1992–93 was $1.041 million by the Aboriginal health policy and program branch, $4 million on Aboriginal community health initiatives, and $12.6 million on the provision of itinerant health services, including Aboriginal health workers and remote area nursing services (Parliamentary Debates, Legislative Council, 15 September 1993, 3856).

To assess the degree to which the expenditure in the hospitals in the Kimberley region is attributable to Aboriginal people, some data on hospital utilisation rates is necessary. Based on data for 1988, the hospital utilisation rate of Aboriginal people in the Kimberley region was 4.25 times greater than that of non-Aboriginal people, compared with a factor of 2.7 for Western Australia as a whole (Select Committee on Country Hospitals and Nursing Posts 1992, vol 2, 35). This would suggest that about 82 per cent of the expenditure of the hospitals in the Kimberley region ($22 million) is attributable to the use of these facilities by Aboriginal people. It is interesting that the hospital utilisation rates for Aboriginal people are much higher in Western Australia than in either the Northern Territory or South Australia, although the rate for Aboriginal males in South Australia is slightly higher than the equivalent rate in Western Australia (Thomson & Briscoe 1991, 20).

By way of comparison, the Northern Territory Government estimated that $138.2 million of its health expenditure in 1991–92 and $142.8 million in 1992–93 was attributable to Aboriginal people (personal correspondence, 21 July 1993). Originally, the Government compiled these estimates at the request of the AAAC Working Party. Arthur has estimated that spending on specific Aboriginal programs by the Health Department in Western Australia was $9.6 million in 1990–91 (Arthur 1991, 11).

As was noted in Chapter 4, the Western Australian Government has argued to the Commonwealth Grants Commission that it faces additional costs to its health system because of certain social and economic characteristics of the Aboriginal population. This would appear to be the case with the hospitals in the Kimberley region, where the high rates of hospital utilisation by Aboriginal people suggest that most of the costs of the hospitals could be attributed to Aboriginal patients. However, there is another side to this issue. The relatively high costs are in part a reflection of government policy and its patterns of service delivery to Aboriginal people in remote areas. The Government's emphasis on service delivery through single relatively large institutions, and the biases in the funding distributions which favour the hospitals, have been noted previously.
Aboriginal people in the economy of the Kimberley region

As the Select Committee pointed out (a similar situation applies to women in Halls Creek):

There is no obstetrics undertaken at the Fitzroy Crossing Hospital. Women are sent to Derby, Kununurra or Broome for the last three or four weeks of their pregnancies. There is no hostel accommodation, so the women are admitted to hospital as boarders ... The Committee was informed that Aboriginal women prefer to have local obstetric care in Fitzroy Crossing and have no strong tribal link with Derby (Select Committee on Country Hospitals and Nursing Posts 1992, 42).

In fact, Aboriginal patients are able to stay at the Aboriginal Hostels Ltd hostel in Derby. A number of beds in the hostel are allocated to hospital patients, and the hospital is charged at a rate of $20.00 per night under the Patients Accommodation and Travel Scheme. Were these people to stay in the Derby hospital, the charge would be approximately $300.00 per night.

For Aboriginal women, a high fertility rate of 17.35 per cent, along with lengthy hospital confinement, produces an average stay of 6.4 days per admission in the Kimberley hospitals (Health Department of Western Australia 1991). However, in responding to the Committee’s report, the then Minister for Health, in his only reference to Aboriginal health in the entire speech, announced that:

a family birthing centre is proposed for Derby Regional Hospital to provide a homelike maternity care facility for healthy women, and a community midwife will be based in Halls Creek to service the needs of women from the town and nearby Aboriginal communities (Parliamentary Debates, Legislative Assembly, 22 September 1992, 5039).

It is important to note, however, that the difficulties many Aboriginal women face with childbirth are not unique to Western Australia. For example, the report of the Federal Race Discrimination Commissioner on the situation at Mornington Island, and the report of the Human Rights and Equal Opportunity Commission inquiry into health services at Cooktown and surrounding areas, both raised childbirthing as a fundamentally important issue. Women on Mornington Island in the Gulf of Carpentaria in Queensland are required to travel to Mount Isa to have their children, even though the hospital on Mornington Island is equipped with a labour ward. While the Race Discrimination Commissioner acknowledged that there was a high rate of complications associated with childbirth by Aboriginal women, she commented that the blanket definition of ‘at risk’ had become ‘administratively more easy to operate’. There was a strong desire for the children to be born on the Island, as the following quote from a member of the Yuenmanda Women Elders’ Group shows:

The government had laws to take our children away, they had laws to sterilise us after we had a certain number of children and now they take us away from our land, our families, and our communities to have babies (Federal Race Discrimination Commissioner 1993, 60).
There is another issue, which was raised during consultations by the Kimberley Land Council over the Royal Commission recommendations:

There were few places where people said that there were Aboriginal community representatives on hospital boards. These hospitals use a lot of public money, they need to be more answerable to the community, which is mostly made up of Aboriginal people. In the Kimberley, Aboriginal people use more than half the services of the public hospitals, so there should be at least equal representation on the hospital boards (Kimberley Land Council 1992, 72).

Apart from the services provided by the Health Department facilities, there are the three Aboriginal medical services: the Broome Regional Aboriginal Medical Service, East Kimberley Aboriginal Medical Service in Kununurra, and Yura Yungi Medical Service in Halls Creek. There is also a coordinating organisation for the three health services, the Kimberley Aboriginal Medical Services’ Council (KAMSC). The discussion in the report of the Select Committee on the operations of the Aboriginal medical services is very limited, but it does include the following quote about a Health Department Regional Director. The Committee did not believe that this was a widespread attitude, but given the types of attitudes that seem to be prevalent in Western Australia about Aboriginal people, this view may be much more common than the members of the Committee thought.

... he wanted nothing to do with Aboriginal Medical Services; they were an apartheid form of health care (Select Committee on Country Hospitals and Nursing Posts 1992, 67).

Royal Flying Doctor Service

The Royal Flying Doctor Service of Australia (RFDS) is not a government organisation, but the bulk of its funding is derived from governments. The inclusion of the RFDS in this chapter is not intended to suggest that it is a Western Australian Government department. It is useful, however, to discuss the services provided by the RFDS in the context of general health services provided by the State Government in the region. Further, the Commonwealth has announced its intention to withdraw funding from the RFDS, and the State and Territory governments will have primary responsibility for funding the service.

The RFDS operates from a network of 13 bases, and services a land area covering approximately 80 per cent of Australia. Total expenditure by the RFDS in 1991–92 was $32.4 million. The State and Northern Territory Governments provided funding of $14.2 million, and the Commonwealth Government provided $11.2 million for operating costs, $2.9 million for capital costs, and $320,000 for RFDS medical chests supplied to remote posts. Commonwealth funding has been provided through the Department of Health, Housing and Community Services. Non-government contributions amounted to $7.9 million, 24 per cent of operating costs in 1991–92 (Royal Flying Doctor Service of Australia 1992, 16). Total Commonwealth funding
Aboriginal people in the economy of the Kimberley region

rose to $15.4 million in 1992–93, and was budgeted to rise to $17.7 million in 1993–94. The States were required to match the Commonwealth grants on a dollar-for-dollar basis.

However, in 1991–92 the Commonwealth Government announced that it would be withdrawing its funding for the RFDS, and each State and Territory would then decide how much to allocate to the service, although this does not appear to have occurred as yet. The RFDS vigorously opposed this decision, on the grounds that:

... such a decision could lead to variable and inequitable healthcare services to outback people according to which side of a State border they lived, as each State allocated the funds according to its own needs and priorities—and not necessarily to the RFDS at all (Royal Flying Doctor Service of Australia 1992, 18).

There is no guarantee under the proposed funding regime that the States will commit the necessary resources. In Western Australia, the RFDS has been involved in negotiating funding contracts based on mileage flown with the Health Department of Western Australia.

The RFDS provides routine and emergency services in the Kimberley region from the base in Derby. In recent years the growth in the number of Aboriginal communities and outstations has increased the costs of the services in the region. The extent to which services provided by the RFDS are accessed by the Aboriginal population in the Kimberley region is clearly demonstrated by the statistics in Table 35. Total operating expenditure by the RFDS in the Kimberley region in 1991–92 was $2.96 million, approximately 90 per cent of which was attributable to the services provided to Aboriginal people.

Table 35 Royal Flying Doctor Service in the Kimberley region, 1989–90 to 1991–92

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients examined on emergency and routine clinic flights</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Aboriginal</td>
<td>996</td>
<td>705</td>
<td>888</td>
</tr>
<tr>
<td>Aboriginal</td>
<td>10,010</td>
<td>9,058</td>
<td>7,860</td>
</tr>
<tr>
<td>Consultations during radio clinics</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Aboriginal</td>
<td>17</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Aboriginal</td>
<td>10</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>Telephone consultations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Aboriginal</td>
<td>378</td>
<td>86</td>
<td>155</td>
</tr>
<tr>
<td>Aboriginal</td>
<td>428</td>
<td>344</td>
<td>292</td>
</tr>
<tr>
<td>Number of patients transported</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Aboriginal</td>
<td>133</td>
<td>188</td>
<td>182</td>
</tr>
<tr>
<td>Aboriginal</td>
<td>1,215</td>
<td>1,496</td>
<td>1,375</td>
</tr>
</tbody>
</table>

Source: Royal Flying Doctor Service of Australia Victorian Section (1992, 9)
The Western Australian Drug and Alcohol Authority

The Western Australian Drug and Alcohol Authority is responsible to the Minister for Health. The Authority's main activities are Regional and Community Services, Clinical Services, and Education and Research. The Authority's total expenditure in 1991–92 was $10.8 million, a fraction of the spending of the Health Department. According to the Authority's Aboriginal Services Plan, spending on Aboriginal services in 1992–93 amounted to $2 million, of which $300,000 was for the employment of Aboriginal staff, $800,000 for the decriminalisation of drunkenness program, and $454,000 for Aboriginal education and alcohol and other substance abuse.

Some of the Authority's activities are funded by Commonwealth specific purpose payments, including $1,345,100 from the National Campaign Against Drug Abuse, $462,492 from ATSIC, $36,724 from the Aboriginal Professional Sponsorship Program, and other Commonwealth grants of $118,390. The ATSIC grant was under the five year Aboriginal Community Development Program (Western Australian Drug and Alcohol Authority 1992b, 51–2).

The Authority's financial statements show that $963,906 was allocated for sobering-up shelters in 1991–92. The Commonwealth provided a one-off grant of $800,000 for the construction of four shelters, on the assumption that each shelter would cost approximately $200,000. However, construction costs for each shelter increased to $350,000, and only 3 of the shelters were constructed, in Port Hedland, Perth and Halls Creek. The $350,000 in funding for a shelter to be constructed adjacent to the hospital in Fitzroy Crossing was included in the 1992–93 State budget. The shelters in Port Hedland and Perth are operated by the Salvation Army. The recurrent expenditure of the sobering-up shelters of $763,165 is funded by the State Government. The Commonwealth also allocated a further $125,000 for the recurrent expenditure associated with the establishment of a sobering-up shelter in Roebourne. Although the need for a sobering up shelter in Derby has been recognised as a high priority, the Western Australian Minister for Health, in a letter to the Shire of Derby–West Kimberley, indicated that funding for the shelter should be taken up with the ATSIC Jayida Buru Regional Council (Minutes, Community Development and Service Meeting, 17 May 1993, 6).

In the Kimberley region, the Authority provides some clinical services from a small office in Derby, and employs an Aboriginal Community Development Officer. In 1991–92 the Authority ran a professional skills training course in Derby; in-service education programs for student health workers with the Broome Regional Aboriginal Medical Service and a number of other Aboriginal organisations; hospital-based education programs for staff in the Derby, Fitzroy Crossing, Wyndham and Kununurra hospitals; and a drug use and addictive behaviours course in Broome.

The Authority also made grants to non-government organisations. Total grants of $331,228 were made to Aboriginal organisations in 1991–92, and $2.72 million to
other non-government agencies. In the Kimberley region, grants were made to Milliya Rumurra in Broome ($35,741), Ngnowar-Aerwah Aboriginal Corporation in Wyndham ($46,146), and Waringarri Aboriginal Corporation in Kununurra ($50,536) in 1991–92. In addition, the Authority’s $963,906 in grants for the operation and capital costs of the so-called Utopia shelters, grants were made to two organisations in the Kimberley region: $33,789 to Fitzroy Crossing and $270,568 to the Halls Creek People’s Church (Western Australian Drug and Alcohol Authority 1992b).

Following the decriminalisation of drunkenness on 27 April 1990, the Western Australian Drug and Alcohol Authority was given the responsibility of implementing alternatives to detaining people in police lock-up, and of evaluating the effectiveness of the legislation. The Authority collects data that was previously collected by the Police Department.

Western Australian Police Department

The role of the Police Department in Western Australia, and more broadly the criminal justice system, and their relationship with Aboriginal people, is a major subject of study in its own right. The Royal Commission into Aboriginal Deaths in Custody devoted a large proportion of its resources to examining these issues, and a significant number of the recommendations were aimed at overcoming the problems as the Royal Commission saw them. It is certainly not the intention of this section to discuss all of those issues in detail.

Spending by the Police Department, the Department of Corrective Services, and the Crown Law Department accounted for almost one-third of the expenditure of the mainstream departments and agencies attributable to the Aboriginal population of the State. The fact that $142 million was spent in 1992–93 on policing, detaining, prosecuting and incarcerating the Aboriginal population of Western Australia is a national disgrace. As the Royal Commission highlighted, the Western Australian criminal justice statistics relating to Aboriginal people are nothing short of appalling. More than half of all police custodies in the State were of Aboriginal people, who comprise about 2.5 per cent of the population. Aboriginal children, who represent 4 per cent of all children in Western Australia, constituted 64 per cent of children in detention, and 54 per cent of all youths detained by police. Eighty-seven per cent of youths arrested for drunkenness are Aboriginal youths (Independent Commission to Review Public Sector Finances 1993, 272).

There is no doubt that the police presence in the Kimberley region is very considerable. According to staffing statistics supplied by the Police Department, in 1991–92 there were 79 police employed in the Kimberley region (personal correspondence 11 August 1993). In addition, there were 15 Aboriginal police aides. A community policing officer has also been appointed at the Broome and Kununurra police stations. On a per capita basis there is one police officer for every 375 people in the Kimberley region, which is a somewhat higher figure than for the State as a whole (1 to 409 people). However, since a large proportion of the Police
WA Government spending in the Kimberley region

Department's activities in the region relate to Aboriginal people, a more valid per capita comparison would be with the Aboriginal population. This can be compared with the Pilbara region where there are 65 police officers and 5 police aides (Parliamentary Debates, Legislative Assembly, 9 September 1993, 3570).

Expenditure by the Department in the Kimberley region in 1991–92 was $4.55 million for salaries and $1.07 million for other expenditure (personal correspondence 11 August 1993). Expenditure on salaries of the police aides was approximately $400,000 (Parliamentary Debates, Legislative Council, 13 May 1992, 2236).

As was demonstrated in Chapter 4, in the Western Australian Government submissions to the Commonwealth Grants Commission considerable emphasis is given to police and criminal justice issues. One of the submissions noted that Aboriginal people were 13.6 times more likely to come into contact with police than non-Aboriginal people, and that the rate of apprehension of Aboriginal people was 67.559 per 100,000 of population, compared with 5,517 per 100,000 for the non-Aboriginal population (Western Australian Government 1991, 216). The rate of imprisonment of Aboriginal people in 1992–93 was 1,380 per 100,000 of the population, compared with the non-Aboriginal rate of 83 (Western Australia, Budget Paper No 3, vol 2, 499).

Unfortunately the statistics for the Kimberley region confirm, and indeed reinforce, this State-wide picture. With the extremely high rates of alcohol consumption in the region, it is not surprising that the drunkenness detention rates have also been very high. Statistics compiled by the Drug and Alcohol Authority show that the Kimberley and Pilbara regions accounted for the overwhelming majority of the drunkenness detentions. In 1991–92 there were 17,680 police apprehensions in the entire State, and 10,225 of these were in the Kimberley region and 3,703 were in the Pilbara region. In the period January–June 1992, of the 7,933 State-wide apprehensions, 7,142 (90 per cent) were of Aboriginal people. In the Kimberley region, 99 per cent of the 4,463 people detained for drunkenness were Aboriginal people (Western Australian Drug and Alcohol Authority 1992a, 3.5.13).

Apart from the obvious problems with the extraordinarily high rates of apprehension of Aboriginal people, highlighted by the Royal Commission into Aboriginal Deaths in Custody, there are a number of economic issues associated with the charging of large numbers of Aboriginal people. Adult fines imposed in the Kununurra Court House totalled $85,312 in 1991–92, and a further $19,327 in court costs was imposed. In the Derby Magistrates Court fines totalling $62,831 were imposed in 1991–92 (personal correspondence 21 April 1993). In many cases, the fines cannot be paid, and result either in a period of detention, community service, or defaults. Given the high rate of arrests of Aboriginal people in the region, it is likely that the bulk of these fines and costs would have been imposed on Aboriginal people. Across the State, in April 1993 there were 81 prisoners serving a sentence for fine default only. It is comforting to learn that one of the key objectives of the Crown Law Department in 1993, according to the Aboriginal Plan 1993, is to 'make the process of collecting and enforcing the
payment of fines more efficient’ (Western Australian Government 1993a, 42). Commissioner Dodson commented on the large amount of fines imposed on Aboriginal people:

The total amount of fines imposed on Aboriginal people in the five locations throughout the April survey period amounted to $63,243. Calculated on an annual basis, this would amount to around $758,916. It is reasonable to extrapolate from this information and estimate that the likely income in this State, received from fines imposed on Aboriginal people, is in the vicinity of three million dollars per year. Significantly, this is one million dollars more than the annual budget currently provided to the Aboriginal Legal Service by the Federal Government through the Aboriginal and Torres Strait Islander Commission (Dodson 1991, 110).

In September 1993 the Government announced that the Wyndham Regional Prison would be closed by the end of the month. It is to be converted to a community outreach centre, with possible conversion to a sobering-up shelter. The Attorney-General explained that the decision was a reflection of the Government’s commitment to reduce Aboriginal rates of imprisonment and to divert minor offenders away from the prison system. Mrs Edwardes also suggested that the closure would ‘improve the economic viability of the Kimberley region’, although it is not immediately obvious how economic development and the closure of a prison are connected (Parliamentary Debates, Legislative Assembly. 7 September 1993, 3284–5).

Education

Along with expenditure on health, expenditure on education by the State and Territory governments is significantly influenced by the Commonwealth Government’s priorities. The Western Australian Government receives specific purpose payments from the Commonwealth for health, and in addition part of the State’s untied general revenue assistance payments is based on the Commonwealth Grants Commission’s assessments of the State Government’s spending on education.

Specific purpose payments for education have been the largest category of such payments by the Commonwealth to the State and Territory governments. Specific purpose payments for education to the Western Australian Government amounted to $561 million in 1991–92 and $624 million in 1992–93. In 1991–92 the specific purpose payments to Western Australia included $6.6 million for Aboriginal education, almost 19 per cent of the national total of these payments for Aboriginal education. In 1992–93 the equivalent figure was $7.6 million, 13 per cent of the national total.

Expenditure associated with the provision of primary and secondary education has accounted for almost one-quarter of the standard expenditure of the State and Territory governments, a similar proportion to expenditure on health services. As the Commonwealth Grants Commission noted, no other category of expenditure assessed by the Commission other than expenditure on health exceeded ten per cent of
expenditure (Commonwealth Grants Commission 1993, vol 2, 63). The Aboriginal population affects the assessments and the patterns and levels of expenditure. The education category includes expenditure on pre-school education, government education, non-government education, technical and further education and the transport of rural school children. Total expenditure by the Western Australian Ministry of Education in 1991–92 was $993 million, in 1992–93 $1,151 million, and expenditure was budgeted to rise to $1,199 million in 1993–94.

The National Aboriginal Education Policy was endorsed by all State and Territory governments in October 1989. The Policy requires the development of Strategic and Operational Plans which outline how the governments will implement the Policy. The first Strategic Plan and Operational Plan were prepared for the years 1990–92, and a second set of Plans have been prepared for the years 1993–95. As the Ministry pointed out, the problems facing young Aboriginal people are very serious:

> While Aboriginal youth represent only four per cent of the State’s adolescent population, the Royal Commission found that, in 1987–88, the suicide rate among Aborigines aged between 15 and 19 was over eight times the national average; that Aborigines accounted for over two-thirds of all young people in custodial institutions; and that around 80 per cent of Aboriginal youth incarcerated were neither in school nor work at the time of their being taken into custody (Ministry of Education 1992a, 16).

Though the policy is commendable in many respects, there has been some serious criticism raised about the policy. Some critics, such as Nugget Coombs, have argued strongly that the policy is assimilationist. As Commissioner Dodson noted, the policy aims to involve Aboriginal people more in educational decision making to ensure equitable and appropriate educational outcomes.

> The policy seeks more involvement of Aboriginal people in the education system, not necessarily by offering more independence, authority or power over educational issues (such as education policy, curriculum, employment of teachers etc) but by being more 'involved' in decision making. The equitable outcome, such as retention rates and access to schools, will be that which non Aboriginal people achieve. Hence Aboriginal education will, at least as defined by outcome, be no different from non Aboriginal education. And non Aboriginal people will continue to control and define such outcomes (Dodson 1991, 565–6).

Although Commissioner Dodson agreed that an improvement in the outcomes for Aboriginal people from the education system was urgently needed, the final criteria governments are increasingly using for judging the outcomes are questionable and assimilationist (Dodson 1991, 567). Certainly in the second Western Australian Operational Plan these types of indicators are widely used, and follow directly from the goals of the policy itself. For example, Goal 7 is to ensure that Aboriginal children of pre-primary age have access to pre-school services on a basis comparable with that available to other Australian children of the same age. Goal 12 is to achieve the participation of Aboriginal people in post-compulsory secondary education, in
Aboriginal people in the economy of the Kimberley region

technical and further education and in higher education at rates commensurate with those of all Australians in these sections (Ministry of Education 1992c, 24, 33).

The concern about schooling, that was raised by many Aboriginal people before the Royal Commission throughout Australia, was also apparent at the meeting of Aboriginal people organised by the Kimberley Land Council at Crocodile Hole in September 1991. The report of the meeting re-stated some of these concerns:

We need our own schools. Two days gadiya business and three days Aboriginal business ... Schools only teach one Culture. When we learn Gadiya Culture, we lose our Aboriginal Culture. Children attending schools are taught gadiya ways of learning and culture ... There is no time left for Aboriginal Culture. This is leading to the continuation of the process of assimilation (Kimberley Land Council & Waringarri Resource Centre 1991, 2, 21).

The spending under the Western Australian Operational Plan includes two main components. The first, which is funded by the Commonwealth Department of Employment, Education and Training, is spending under the Aboriginal Education Strategic Initiatives Program. Spending of AESIP funding by the Western Australian Government was projected to rise from $6.5 million in 1993 to $6.9 million in 1995. The State-funded component of the Aboriginal education spending was estimated to rise from $17.6 million in 1993 to $17.9 million in 1995 (Ministry of Education 1992c, 81).

All of these plans were prepared by the Ministry under the Lawrence Labor Government. It is not clear at this stage what the attitude of the new government is to the implementation of these plans. On the one hand, the new government will be required broadly to implement the plans because the Commonwealth funding is based on the Commonwealth Minister’s agreement to the State and Territory plans. But the actual operational aspects of the plans could be changed, and it is unlikely that the Commonwealth would intervene. There are already some disturbing signs in relation to this matter. For example, the new Western Australian Minister for Education, Mr Moore, was reported as saying that ‘demands for education and government services in remote areas were an attempt to bolster future land rights claims’ (West Australian, 2 March 1993). He suggested that some communities were ‘nomadic’, and that it was ‘beyond the resources of the Government to build these sorts of facilities at every little Aboriginal settlement’.

Total spending by the Ministry of Education in the Kimberley District in 1991–92 was $25.2 million, with recurrent spending of $17.8 million and capital spending $4.4 million. Specific spending on the Aboriginal Program was $3.015 million in 1991–92 ($3 million in 1992–93). This Program includes a number of items, such as spending on Aboriginal Education Workers, Aboriginal Liaison Officers, and Aboriginal Education Support.
Table 36 Ministry of Education expenditure in schools in the Kimberley District, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Contingencies</th>
<th>School grant</th>
<th>Salaries ($)</th>
<th>Capital works ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome High School</td>
<td>271,140</td>
<td>62,488</td>
<td>1,234,179</td>
<td>2,071,337</td>
</tr>
<tr>
<td>Broome Primary School</td>
<td>51,719</td>
<td>34,559</td>
<td>1,007,844</td>
<td>0</td>
</tr>
<tr>
<td>Cable Beach Primary School</td>
<td>121,387</td>
<td>34,579</td>
<td>765,462</td>
<td>150,164</td>
</tr>
<tr>
<td>Cygnet Bay Primary School</td>
<td>13,790</td>
<td>10,435</td>
<td>78,653</td>
<td>0</td>
</tr>
<tr>
<td>Koolan Island Primary School</td>
<td>8,446</td>
<td>17,380</td>
<td>333,924</td>
<td>0</td>
</tr>
<tr>
<td>Derby District High School</td>
<td>177,041</td>
<td>77,077</td>
<td>1,831,447</td>
<td>167,019</td>
</tr>
<tr>
<td>Wyndham District High School</td>
<td>171,837</td>
<td>37,377</td>
<td>804,914</td>
<td>0</td>
</tr>
<tr>
<td>Kununurra District High School</td>
<td>349,211</td>
<td>111,166</td>
<td>2,209,747</td>
<td>1,347,356</td>
</tr>
<tr>
<td>Halls Creek District High School</td>
<td>137,688</td>
<td>62,646</td>
<td>1,026,300</td>
<td>0</td>
</tr>
<tr>
<td>Fitzroy Crossing District High School</td>
<td>107,953</td>
<td>39,951</td>
<td>825,554</td>
<td>0</td>
</tr>
<tr>
<td>Kimberley Camp School</td>
<td>137,115</td>
<td>0</td>
<td>161,256</td>
<td>0</td>
</tr>
<tr>
<td>Cherrabun Remote Community School</td>
<td>7,474</td>
<td>11,442</td>
<td>132,723</td>
<td>0</td>
</tr>
<tr>
<td>Wangkatjungka Remote Community School</td>
<td>56,467</td>
<td>28,100</td>
<td>395,778</td>
<td>249,872</td>
</tr>
<tr>
<td>Bayulu Remote Community School</td>
<td>39,040</td>
<td>14,073</td>
<td>207,938</td>
<td>0</td>
</tr>
<tr>
<td>Kalumburu Remote Community School</td>
<td>62,033</td>
<td>26,568</td>
<td>334,591</td>
<td>195,327</td>
</tr>
<tr>
<td>La Grange Remote Community School</td>
<td>34,536</td>
<td>38,492</td>
<td>472,797</td>
<td>0</td>
</tr>
<tr>
<td>One Arm Point Remote Community School</td>
<td>68,670</td>
<td>36,170</td>
<td>434,214</td>
<td>0</td>
</tr>
<tr>
<td>Oombulgurri Remote Community School</td>
<td>12,723</td>
<td>23,097</td>
<td>238,560</td>
<td>0</td>
</tr>
<tr>
<td>Glen Hill Remote Community School</td>
<td>4,885</td>
<td>10,741</td>
<td>77,892</td>
<td>0</td>
</tr>
<tr>
<td>Looma Remote Community School</td>
<td>63,353</td>
<td>32,302</td>
<td>506,279</td>
<td>201,367</td>
</tr>
<tr>
<td>Dawul Remote Community School</td>
<td>12,833</td>
<td>14,697</td>
<td>122,502</td>
<td>9,576</td>
</tr>
<tr>
<td>Wananami Remote Community School</td>
<td>21,870</td>
<td>11,473</td>
<td>168,527</td>
<td>0</td>
</tr>
<tr>
<td>Muludja Remote Community School</td>
<td>15,887</td>
<td>18,291</td>
<td>101,909</td>
<td>0</td>
</tr>
<tr>
<td>Kimberley School of the Air</td>
<td>78,771</td>
<td>17,272</td>
<td>381,840</td>
<td>0</td>
</tr>
</tbody>
</table>

TOTAL 2,025,889 770,376 13,854,830 4,392,018

Source: Ministry of Education (personal correspondence 8 April 1993)

In August 1991 there were 46 schools, with a total enrolment of 6,061, in the Kimberley region. These figures covered 22 government schools (3,922 students), 16 non-government schools (1,812) and 8 community pre-schools (327). The school population of the Kimberley region was 1.8 per cent of the total State school population, but 6.4 per cent of the country school population. For the State as a whole, the total enrolments of Aboriginal students in government schools at the beginning of 1992 were 11,276, while 741 were enrolled in community pre-schools (Ministry of Education 1992c, 4). The Catholic Education Commission operates 14 of the schools in the Kimberley region. Nine of these schools are in remote Aboriginal communities. The total of enrolments in these schools in 1992 was 1,592. Funding is received by the Catholic Education Commission from the Commonwealth Government for schools with a relatively large Aboriginal enrolment. For example, in 1992–93 the
Aboriginal people in the economy of the Kimberley region

Nulungu Catholic College in Broome received a grant of $1.1 million for upgrading the facilities and the construction of specialist training areas (The Kimberley Echo, 8 February 1993).

Department of Employment, Vocational Education and Training

Apart from the Ministry of Education, the Department of Employment, Vocational Education and Training is also responsible for a number of programs which involve Aboriginal people. These include the Community Education Training and Employment Development Program and the Aboriginal Economic and Employment Development Officer Program. It also administers the Advanced Certificate of Aboriginal Health Work and the Certificate of Community Recreation. The Department administers the Commonwealth-funded Aboriginal Education Strategic Initiatives Program for the TAFE sector in Western Australia. Commonwealth specific purpose payments for Aboriginal programs administered by the Department totalled almost $3 million in 1991–92 and 1992–93.

The Department produced a comprehensive Aboriginal Plan for the 1993–95 triennium, which documented the Department’s activities in relation to Aboriginal people, and provided details of spending commitments during the triennium. Total spending by the Department on Aboriginal programs in the period 1993–95 will be $16.7 million.

Table 37 Department of Employment, Vocational Education and Training proposed expenditure on Aboriginal programs, 1993–95

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal Education Strategic Initiatives Program</td>
<td>10,235,349</td>
</tr>
<tr>
<td>Aboriginal Women</td>
<td>183,000</td>
</tr>
<tr>
<td>New Initiatives</td>
<td>2,020,500</td>
</tr>
<tr>
<td>Ex-Offenders</td>
<td>1,347,300</td>
</tr>
<tr>
<td>Aboriginal Youth</td>
<td>153,000</td>
</tr>
<tr>
<td>Aboriginal Deaths in Custody</td>
<td>1,074,090</td>
</tr>
<tr>
<td>Employment and Labour Market Services Bureau</td>
<td>1,650,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16,663,239</td>
</tr>
</tbody>
</table>

Source: Department of Employment, Vocational Education and Training (1992a, 48–50)

Of the $10.235 million of spending under the AESIP, the programs funded will include Accredited Award Courses ($3,855,924), Western Australian TAFE AESIP coordination ($2,592,000), Aboriginal Education and Training Officers ($668,538), Aboriginal Program Coordinator ($790,270), and community-based programs ($732,270).
The Aboriginal Economic and Employment Development Officer Program was developed in 1987, and its aim is to promote and assist the involvement of Aboriginal communities and organisations in ‘developing locally based enterprise, employment and training initiatives’. Five projects operated in 1991–92, three of which were in the Kimberley region in Wyndham, Fitzroy Crossing and Halls Creek (Department of Employment, Vocational Education and Training 1992a, 46). In 1991–92 the Department funded the Karrayili Adult Education Centre Aboriginal Corporation in Fitzroy Crossing.

The Department operates the Broome TAFE Centre, which services the West Kimberley region and 14 Aboriginal communities. The Kununurra Centre services the East Kimberley region, with subsidiary centres in Balgo, Halls Creek and Wyndham. The Centre was heavily involved in developing a training program for young Aboriginal people at the Poseidon Bow River diamond project, and 10 young men were enrolled in a thirteen week full-time training program in 1991–92 (Department of Employment, Vocational Education and Training 1992a, 99). The Department has established Aboriginal Education, Training and Employment Committees in each of the seventeen registered providers in the TAFE sector. These committees liaise between the Western Australian Aboriginal Education Consultative Group and the ATSIC regional councils. Nine Aboriginal Education and Training Officers have been appointed to assist the providers in all regions with the consultative processes.

Aboriginal Affairs Planning Authority

The Aboriginal Affairs Planning Authority was established in 1972, following the repeal of the Native Administration Act of 1963. The AAPA’s stated responsibility is to ‘promote the well-being’ of the Aboriginal people of Western Australia, taking into account their views in relation to policy development and State Government service delivery to Aboriginal people. The AAPA administers the Aboriginal Affairs Planning Authority Act which established the Aboriginal Lands Trust.

Total expenditure by the AAPA in 1991–92 was $13.4 million, of which $3.3 million was classified under the heading Land Tenure and Development. Included in the AAPA’s expenditure was $3.5 million of payments to the Water Authority and the State Energy Commission for the provision of power, water and sewerage services to remote Aboriginal communities. The costs of land excisions, fencing, bores, and the acquisition of vacant Crown land, for new communities generally located on pastoral leases, were also included (Parliamentary Debates, Legislative Assembly, Estimates Committee, 16 October 1991, 413). In 1992–93, $7.8 million was allocated to this program, of which $3.3 million was for payments to SECWA and WAWA, and $1.4 million for land tenure and land development. Ten new excisions for living areas were established in 1991–92 (Parliamentary Debates, Legislative Assembly, Estimates Committee, 15 October 1992, 565). One of the largest items of expenditure in 1992–93 was Corporate Services ($2.2 million), including $332,000 for the Minister’s office (Aboriginal Affairs Planning Authority, Annual Report 1992).
The AAPA funded a town campers program, which received an allocation of $600,000 in 1991–92 and $300,000 in 1992–93. The program provided shelter, sanitation facilities and social services to Aboriginal people in Kalgoorlie, Halls Creek, Newman and Port Hedland. According to the then Minister for Aboriginal Affairs, the reduction in expenditure can be explained in the following terms:

Last year we allocated $600,000 for the town camper program and the way in which we have been able to work in a coordinated way with other Government agencies — health, education, the Alcohol and Drug Authority, Homeswest and the Department for Community Services, has resulted in the AAPA being able to confidently lower its budget in this regard because the people on the ground have worked so well (Parliamentary Debates, Legislative Assembly, Estimates Committee, 15 October 1992, 563).

This is a remarkable achievement, if in fact the Minister’s statement that the ‘basic necessities of life’ have been provided to these people is correct. There would be very few governments in Australia that could claim this type of success for what has proved to be a particularly intractable problem.

The AAPA was formally approached a number of times to provide details of its expenditure in the Kimberley region. Initially, the AAPA response was this information was confidential, and that too many staff resources would be involved in compiling the information. This attitude is in stark contrast to ATSIC which was prepared to provide full details of its expenditure in Western Australia. However, the AAPA finally did estimate that its spending in the Kimberley region in 1991–92 was $1.6 million. Some information on AAPA grants to individual Aboriginal organisations was calculated from the audited financial statements for the 82 separate Aboriginal organisations and communities obtained for this research. The AAPA grants of $1.4 million represented 2.2 per cent of the total income of the Kimberley region Aboriginal organisations for which data were obtained. Some of the grants to the organisations by the AAPA were for motor vehicle purchases, the construction of radio studios for the Puranyangu-Rangka Kerrem Aboriginal Corporation in Halls Creek and the Broome Aboriginal Media Association (1990–91 funding), and the construction of office buildings for the Kununurra Waringarri Aboriginal Corporation and Oombulgurri Association Incorporated.

In the 1993–94 State budget the AAPA’s budget was reduced from $12.62 million in 1992–93 to $11.4 million. However, expenditure on the Minister’s office is no longer part of the AAPA’s budget, and this accounted for $332,000 of the expenditure reduction. The reduction was also justified on the grounds that the AAPA will increasingly take on a planning and coordinating function, as suggested by the McCarrey Report. At the same time, the Government allocated $1 million to establish a Mabo unit in the Department of Premier and Cabinet to ‘handle the communication and information demands of the public business and industries’. A further $1 million was allocated to the ‘State’s defence’ of Mabo-style land claims in the Kimberley region (Western Australia, Budget Paper No 1 1993–94, 15).
Department for Community Development

In the latter half of 1992 the Department for Community Services was renamed the Department for Community Development, as part of the Government’s response to the political debate over a number of widely publicised high speed car crashes. The Department for Community Services itself came into existence in January 1985, taking over from the Department for Community Welfare which was established in 1972. This Department was:

an amalgamation of the Departments of Native Welfare and Child Welfare. The former was itself the successor of a series of government structures administering State Aboriginal affairs legislation which, after the passage of the Native Administration Act in 1936, reduced the legal status of Aboriginal people to a position ‘... that has more in common with that of a born idiot than any other class of British subject’ (Equal Opportunity Commission 1990c, 6).

The Department for Community Development funds a range of programs and services, including family services, child protection services, young offender services, and financial assistance programs. Total expenditure by the Department in 1991–92 was $116.1 million, of which $14.4 million was funded by Commonwealth Government specific purpose payments (Department for Community Services 1992). Total expenditure was $109 million in 1992–93, and was budgeted to rise to $117 million in 1993–94. Approximately half of the Department’s expenditure in 1992–93 was attributable to Aboriginal people (Independent Commission to Review Public Sector Finances 1993, vol 2, 269). The Commission also noted that about 32 per cent of the Department’s staff were engaged in administration, policy formulation and co-ordination, which seemed excessive.

Because of the nature of the services offered by the Department, there is an over-representation of Aboriginal people in the client profiles of the Department. For example 13 per cent of all child protection notifications to the Department involved Aboriginal children; 18 per cent of all young offenders appearing before the Children’s Court were Aborigines; 66 per cent of young offenders with 21 or more appearances before in the Children’s court were Aborigines; 24 per cent of the payments of Emergency Financial Assistance were to Aboriginal people; and 33 per cent of the 1,974 children in out of home and alternative care were Aboriginal children (Department for Community Services 1992, 5).

How these figures are interpreted is a matter of very considerable debate. On the one hand, they could mean that the Government is extending a helping hand to Aboriginal people, and particularly young Aboriginal people, who are experiencing difficulties. That would be the interpretation favoured by some people in the government. On the other hand, the figures could simply represent a continuation of the excessive degree of state control over the lives of Aboriginal people. In Commissioner Dodson’s report, the Department for Community Services was targeted for severe criticism. This should not come as a surprise, given the history of the Department and its predecessors. It is not without some significance that the criticism of the Department
is included in the chapter headed 'Aborigines and the State: Marginalisation and Institutionalisation'. The chapter begins with the following comment:

Institutionalisation by the State is continually referred to in a negative context in relation to Aboriginal people and the colonisation of Australia. The respective State welfare agents by way of previous research have been identified as the most prominent agents responsible for the institutionalisation of Aboriginal people. In many cases the subjugation of Aboriginal people to such institutionalisation has been shown to be to the detriment of the individual, their family and their community. Overall, if has been a process that very few, if any, Aboriginal people escaped and one that prevailed despite various active and passive objections by Aboriginal people at the individual and community level (Dodson 1991, 488).

In reviewing the Department's operations, Commissioner Dodson argued that the Department 'seems to assume that Aboriginal people make a conscious decision to be welfare dependent' (Dodson 1991, 491). The above figures suggest a degree of over-representation of Aboriginal people in some parts of the Department's programs, however Commissioner Dodson noted that this was not the case in the Family and Individual Support, Youth Affairs and Community Funding and Development programs—programs which could provide more positive support for Aboriginal people.

Commissioner Dodson argued that the Department has responsibilities to uphold the principles enshrined in the United Nations Declaration of the Rights of the Child and the Standard Minimum Rules for the Administration of Juvenile Justice. However, it seems apparent that the Crime (Serious and Repeat Offenders) Sentencing Act passed by the Western Australian Parliament in early 1992, only a few months after the completion of the reports of the Royal Commission, contravened many of the principles enshrined in these United Nations documents. His view was that the Department persisted with an 'ethnocentrically-based attitude and service delivery' (Dodson 1991, 504). By continuing with its service-based approach, the Department was contributing to 'the perpetuation of unjust practices against Aboriginal people' (Dodson 1991, 507). Because of the low levels of financial resources of many Aboriginal people, they have often been forced into supplementing the shortfall of resources by accessing the resources of a system that they were attempting to break away from. His conclusion was a direct criticism of mainstreaming, a policy position that is widely prevalent in the policies of the State and Territory governments:

Overall, dispossession and its associated processes of industrialisation, and urbanisation has forced more and more Aboriginal people to access welfare resources for sheer survival. Therefore, without firstly redressing past and present unjust practices as they pertain to cultural differences, it would appear to be totally unrealistic for policy makers and programmers to assume Aboriginal people's participation in mainstream programmes. To persevere on such an assumption is a further indictment on the system against Aboriginal people because it infers a lack of acknowledgement of their social dislocation and the historical, social, cultural, economic and political barriers that sustain it (Dodson 1991, 513).
Apart from the Royal Commission, the Department was subject to a review by the Western Australian Equal Opportunity Commission. The review commented on the perceptions of the Department by Aboriginal people:

Some respondents were so negative about the Department that they did not wish to speak about their experiences — they viewed the DCS as the same structure that, for many years, 'kidnapped' their children, confined their families on town reserves, enforced their exclusion from areas prohibited to Aboriginal people, distributed inadequate rations through government stations and depots such as Udialla or Violet Valley in the Kimberley, or sent them to government reserves such as Mogumber. There is little wonder, therefore, that many older Aboriginal people do not distinguish DCS from welfare bodies in the past (Equal Opportunity Commission 1990c, 51).

Blatant 'anti-Aboriginal attitudes' of some staff were raised, but the greatest concern was the perceived lack of understanding of Aboriginal people and sensitivity to Aboriginal cultures in the Department. 'This resulted in a kind of discrimination no less harmful than direct discrimination' (Equal Opportunity Commission 1990c, 52). A number of recommendations were made by the Commission to overcome some of these particular problems, but most of the other recommendations related to Aboriginal people and their relationship with the Department.

The Department was one of the eleven government agencies to prepare an Aboriginal Service Policy and Implementation Plan as part of the broader Aboriginal Plan 1993. There is no doubt that the rhetoric of the Department has changed. Many Aboriginal people would be hoping that the actions of the Department match its rhetoric. Very rarely does one see in a Western Australian Government document comments such as the following:

The Department for Community Development recognises Aboriginal people and their descendants as the indigenous people of this country ... Aboriginal people's relationship to land as integral to their survival, revival, enhancement and consolidation ... the right of Aboriginal people to enjoy cultural freedom without inhibition or intimidation, and its responsibility to provide services and programmes within a culturally-appropriate framework (Department for Community Development 1992, 4).

However, it should be noted that some of the same language also appears in the Aboriginal Plan of the Department of Corrective Services. The Department goes further, and recognises that 'Aboriginal culture is based upon extended family relationships', that 'Aboriginals are not an homogeneous group' and that 'there are a number of Aboriginal nations' (Department of Corrective Services 1992, 5).

In the Kimberley region most of the Department's spending (other than on salary and administration costs) was the provision of grants to a variety of service delivery organisations. At least 25 organisations were funded in the East Kimberley region, and 13 in the West Kimberley region, in 1991–92. Total expenditure by the Department's regional offices in the region in 1991–92 was $3.9 million. A small amount of emergency financial assistance was allocated from the Perth office of the
Aboriginal people in the economy of the Kimberley region

Department, and some regional money is allocated for visits of staff from the Port Hedland office of the Department. The organisations funded included the Kununurra, Wyndham and Waringarri Family Support Services, Oomulgurri Occasional Care, Kununurra Youth Services, Nunga Women’s Group and Fitzroy Crossing Sports Association. Approximately 90 per cent of the clients of the organisations funded by the Department are Aboriginal people (personal correspondence, 13 November 1992).

Table 38 Expenditure by the Department for Community Services in the Kimberley region, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>East Kimberley ($)</th>
<th>West Kimberley ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants &amp; financial assistance</td>
<td>460,000</td>
<td>662,269</td>
</tr>
<tr>
<td>Administration costs</td>
<td>514,000</td>
<td>535,000</td>
</tr>
<tr>
<td>Salaries</td>
<td>778,000</td>
<td>965,696</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,752,000</td>
<td>2,162,965</td>
</tr>
</tbody>
</table>

Source: Department for Community Development

The Department appointed its first Aboriginal Services Officer in February 1992. The staffing of the Department in the Northern Country Region, which includes the Kimberley and Pilbara regions, has fallen considerably in recent years (from 205 in June 1991 to 155 in June 1992). According to the Department’s Annual Report 1991, 48 per cent of the staff in the NCR were Aboriginal people, although in the East Kimberley region the proportion is about 75 per cent. However, the majority of these staff are at the lower levels of the staffing structure and have few formal qualifications.

Roads

The deficiencies in roads servicing Aboriginal communities, and roads in Aboriginal communities, have been identified as having serious detrimental effects on people living in and near these communities. The poor roads impose significant additional costs, in terms of fuel and vehicle damage, and they also pose significant environmental hazards. ATSIC’s survey of housing and community infrastructure estimated that the costs of upgrading internal and access roads for Aboriginal communities was $424 million. Estimated required expenditure in Western Australia was $72 million. It also estimated that about 27,000 Aboriginal people were affected by partly sealed roads and a further 27,500 by unsealed roads. Nearly all of these people live in Western Australia, the Northern Territory and Queensland (Australian Construction Services 1992a).
As was discussed previously, shire councils in Western Australia receive funding for local roads from the Commonwealth. These funds are distributed between the councils in Western Australia following the assessments of the Western Australian Local Government Grants Commission. Apart from the funding to shire councils, however, there is expenditure by the Main Roads department, some of which is included in the Aboriginal Community Services category of expenditure assessed by the Commonwealth Grants Commission.

Two major reports on roads in Western Australia have been published in the past two years. The first, in May 1991, was prepared by the Task Force on Road Funding, which was comprised mainly of representatives of local government, transport representatives, and departmental officials. One of the most important concerns highlighted by the review was the condition of roads in rural and remote areas. In particular, the Task Force noted that rural communities are far more dependent on roads than urban communities; improvements in the condition and adequacy of rural roads have failed to keep pace with social expectations, or with general improvements in the quality of life in other aspects; the major concern regarding rural roads was their poor condition rather than their capacity; and minor roads, especially unsealed roads, were the main problem in rural areas (Task Force on Road Funding 1991, xi).

A little over two pages of the 160 page report were devoted to 'access and settlement roads' for Aboriginal communities. The discussion was particularly concerned with the implications of the growth of new communities in parts of Western Australia, allegedly because of Commonwealth policies. The report referred to 1987 statistics which estimated that the total length of unsealed access roads was 5,492 kilometres and 76 kilometres of 'settlement roads'. The report noted that to improve these roads to an acceptable standard would cost approximately $60 million, with an annual allocation of $500,000 for maintenance. The report did not include recommendations other than to suggest a review of the funding needs after the working group which included ATSIC, the AAPA, Main Roads and representatives of local government had developed a strategy.

In April 1992 the report on Access Roads to Remote Aboriginal Communities was published. This report updated an earlier version in 1987–88. The report was prepared by the Main Roads department in association with ATSIC and the AAPA. The report noted that there were at least 112 Aboriginal communities in Western Australia, compared with 58 in 1988. Sixty-eight of these communities were in the Kimberley region. Most of the communities were serviced by unsealed roads, and ranged in population from 5 to 550 people. In the Kimberley region, there were 14 communities with an estimated population of almost 4,000 people that did not have sealed road access. The length of unsealed roads was considerably greater than in 1987, having increased from 5,492 kilometres to 8,961 kilometres. Of these, 1,816 kilometres were undesignated roads, 6,070 kilometres were the responsibility of shire councils, 644 kilometres the Main Roads department, and 411 kilometres the responsibility of the Northern Territory Government (Main Roads Western Australia 1992a, i).
The classification of roads, by all levels of government, has an important influence on the distribution of funds. The use of classifications such as 'undesignated', 'unclassified', or 'undeclared' have had a particularly severe impact on the funding made available for access an other roads servicing Aboriginal communities.

Most roads into remote Aboriginal communities in Western Australia remain undeclared. An undeclared road in this case means that the roads are not declared by the local government authority for public use. Undeclared roads attract minimal attention from the shire council and maintenance can be avoided. If roads remain undeclared, then the local government authority can minimize the shire’s expenditure on roads (Fletcher 1992b, 75).

An example of how the road classification system impacts on communities in the Kimberley region comes from the minutes of one of the committee meetings of the Shire of Derby—West Kimberley.

The Department of Land Administration advise that a number of access roads to Pastoral Stations have not been dedicated and therefore are legally not public access roads. This being the case, it may bring into question and into jeopardy to some degree, funding for regular ongoing maintenance and for funding contributions from Agencies e.g. A.T.S.I.C. for reconstruction work that is required on a number of these roads ... there is undoubtedly a lot of confusion in relation to the status of a number of Station and Aboriginal Community access roads which is not helpful when negotiating as has been said with Agencies for financial assistance contributions towards the reconstruction, the maintenance and for drainage to a number of these roads (Minutes, Engineering and Planning Services Committee Meeting, Shire of Derby—West Kimberley, 18 November 1991, 8–9).

The access road to Wangkatjungka community on Christmas Creek station is example of the problems created by road classifications. Marra Worra Aboriginal Corporation received $175,000 in funding from ATSIC and the AAPA for the road, but

The access road to Christmas Creek has no legal status at this time and Marra Worra Aboriginal Corporation are not prepared to release funds of $175,000 for the upgrade of the road until it is resolved. Written confirmation has been received from the Lessee of Christmas Creek Station that he has no objection to the road being gazetted as a public access road (Minutes, Ordinary Council Meeting, Shire of Derby—West Kimberley, 31 July 1991).

The 1992 report estimated that to upgrade the roads to an acceptable standard across the whole State would cost $42 million. It was assumed that the maintenance of the roads that are the responsibility of shire councils would be undertaken by these councils, while the undesigned roads would require additional funding of $150,000 per annum. The report examined two options for the future, either maintenance by shire councils; or equipping a number of Aboriginal communities with basic road plant to enable them to undertake the roadworks. On the basis of nine plant units in the Kimberley. East Pilbara and Laverton regions, the estimated costs were $2 million for establishment and training. $2.3 million annual operating costs, and $3.2 million
for internal community roads. The report recommended that the second option be adopted (Main Roads Western Australia 1992a, ii). The Western Australian Minister for Transport, on 7 April 1993, wrote to the Shire of Wyndham–East Kimberley suggesting that Marra Worra Worra Aboriginal Corporation in Fitzroy Crossing be funded as part of a pilot project for the use of Aboriginal organisations in road maintenance.

In 1991–92 funding for Aboriginal access roads was $726,000 (see Table 26). The report estimated that $5.5 million to $9.9 million per annum would be required to undertake the proposed roadworks, which obviously requires a significant increase in the funding allocated to these types of roadworks. Not surprisingly, the report suggested that the existing funding distribution for roads throughout Western Australia should not be changed, and that additional funding was necessary. Not surprisingly the report suggested that the Commonwealth Government would be the primary source of additional funding, possibly ATSIC. For access roads to new communities, the report suggested that the Commonwealth provide two-thirds of the additional funding, and for existing communities the Commonwealth provide half the additional funding.

Table 39 Funding for Local Government Program (Main Roads department) for roads serving Aboriginal communities, 1991–92 and 1992–93

<table>
<thead>
<tr>
<th>Year</th>
<th>State</th>
<th>Commonwealth</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991–92</td>
<td>1,811,420</td>
<td>727,000</td>
<td>2,538,420</td>
</tr>
<tr>
<td>1992–93</td>
<td>1,964,260</td>
<td>998,000</td>
<td>2,962,260</td>
</tr>
</tbody>
</table>

Source: Western Australian Government (1993b, 3)

In March 1993 the Western Australian Government prepared a submission to the Commonwealth Government for additional road funding for access roads to Aboriginal communities. The submission particularly highlighted the damage caused to the local road network in the Kimberley region during the floods in early 1993. The submission included details of the spending by the Commonwealth and State and Government under the Local Government Program for roads servicing Aboriginal communities in all areas of the State.

The immediate question that arises is: what will happen if no additional funds are made available? Will equity principles be applied to the existing funds, implying a redistribution towards spending on the roads servicing Aboriginal communities? In the context of Western Australian politics, particularly the politics of road funding and shire councils, this is extremely unlikely to happen. The report refers to the
unwillingness of shire councils to undertake these types of roadworks. The explanation for their behaviour is allegedly because of the: 

... seemingly ad hoc approach to Aboriginal community development... unlike normal community and town development, Aboriginal Communities are developed ‘outside’ the responsibilities of local government involvement. There is no formal planning processes (legal town planning schemes), co-ordinated implementation and development and on-going maintenance of community infrastructure facilities (Main Roads Western Australia 1992a, 28).

In fact, the report suggests that the ‘community Councils’ do not give roads a high priority unless a tragedy occurs or where a road is closed due to flooding (Main Roads Western Australia 1992a, 35). This is an extraordinary assertion, given that the shire councils are funded for some roadworks in these areas, but have generally refused to accept their responsibilities.

Table 40 Expenditure on roadworks by Kimberley region shire councils, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Construction</th>
<th>Maintenance ($)</th>
<th>Capital ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broome</td>
<td>828,902</td>
<td>497,720</td>
<td>348,011</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>648,702</td>
<td>307,828</td>
<td>276,278</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>514,643</td>
<td>229,939</td>
<td>433,546</td>
</tr>
<tr>
<td>Wyndham–East Kimberley</td>
<td>501,533</td>
<td>776,113</td>
<td>103,884</td>
</tr>
</tbody>
</table>

Source: Shire council financial statements

Seven per cent of the Commonwealth local road funding to Western Australia is allocated for spending on special projects, some of which are Aboriginal community access roads. By way of comparison, total spending by the Main Roads department in 1991–92 was $320.5 million. The spending on these special projects amounted to $3.58 million in 1991–92. If the shire council undertakes these special projects, the Main Roads department allocates a grant amounting to half of the Commonwealth funding ($1.7 million). The four shire councils in the Kimberley and the Shire of Wiluna have received three-quarters of the total special project funds for roads serving Aboriginal communities, and 30 per cent of the total special project funding for all roads. The total allocation for special projects funding in the Kimberley region in 1991–92 was approximately $600,000. In 1992–93, the projects included in this funding in the Kimberley region were the Broome-Cape Leveque, La Grange, One Arm Point, Calwynyardah-Noonkanbah, Christmas Creek, Tanami and Gibb River-Kalumburu roads. All of these projects are ‘unclassified roads’ which do not attract road funding through the other government sources, except some funding from ATSIC.
Information on the annual spending by the Main Roads department in the Kimberley region has not been able to be obtained. However, the department’s Annual Report 1991–92 does disclose spending of $568,000 on the Derby-Gibb River road, which ‘provides access to cattle stations and tourist areas in the east Kimberley’, and the Gibb River-Wyndham road which ‘provides road train access to east Kimberley cattle stations’ (Main Roads Western Australia 1992b, 18, 21). The department’s estimate of its expenditure on roads servicing Aboriginal communities across the entire State was only $2 million (Independent Commission to Review Public Sector Finances 1993, 269).

In its December 1992 Progress Report on its implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody, the Western Australian Government stated that the preparation of the report on Access Roads to Remote Aboriginal Communities was one of the Government’s key responses to the self determination and local government recommendations. The Progress Report noted that the Aboriginal access roads report had been forwarded to the Minister for Transport in May 1992 (Western Australian Government 1992c, 12–13). There is no evidence of any change in policy following the preparation of the report, or any redirection of road funding priorities. At least the Government and the Aboriginal communities affected know exactly what type of roads need attention. Many Aboriginal communities did not need a 160 page report to tell them that their internal and access roads were in poor condition. What they and the Royal Commission presumably wanted was some government action to reduce the inequities in road funding. As far as the Western Australian Government is apparently concerned, by preparing the report it has fulfilled its obligations regarding the Royal Commission recommendations.

**Power and Water**

The provision of power and water services to remote Aboriginal communities perhaps shows most clearly the unwillingness of the Western Australian Government to fund the provision of services to many Aboriginal people that most other Australians take for granted as Australian citizens. The Western Australian Government receives two main types of funding for the provision of power and water services to remote Aboriginal communities. Part of the funding is through the mechanisms of the Commonwealth Grants Commission assessments, and is paid by the Commonwealth to the Western Australian Government as part of the overall untied general revenue assistance. Part of this Commonwealth funding is based on expenditure by the AAPA, and part is based on expenditure by the State Energy Commission of Western Australia (SECWA) and the Water Authority of Western Australia under the Aboriginal Community Services category of expenditure (see Table 18). However, virtually all of the expenditure by WAWA and SECWA in these communities is funded by specific purpose payments from ATSIC.
Aboriginal people in the economy of the Kimberley region

WAWA supports agencies with responsibility for Aboriginal communities through planning, designing, construction and maintenance of water services to these communities. An important issue is where the Authority obtains the funding for these activities.

Direct and indirect costs are fully reimbursed by the Aboriginal and Torres Strait Islander Commission (ATSIC), the Aboriginal Affairs Planning Authority (AAPA) or the communities themselves (Western Australian Water Authority 1992, 20).

On the question of funding:

During 1991/92 ATSIC and AAPA provided $4.6 million for upgrading and construction of water supply and sewerage facilities for 88 town based, remote and newly emerging communities. AAPA also provided $1.6 million for maintenance at 48 remote communities and small amounts of money for maintenance work at town based communities. Negotiations with ATSIC to develop a rolling funding program will improve efficiency in works programming and program management in 1992/93 (Western Australian Water Authority 1992, 20).

In SECWA’s Annual Report 1991–92 there was only one mention of remote Aboriginal communities, which is the map on the inside back cover. The map quaintly referred to ‘Aboriginal village’ power stations. According to the Aboriginal Affairs Planning Authority it contracted SECWA on a fee-for-service basis to undertake cyclical maintenance and breakdown work for 48 communities. AAPA allocated $1.5 million for this work in 1991–92 and $1.65 million in 1992–93 (Collins, AAPA Officer, personal correspondence, 13 January 1993). ATSIC’s direct funding of WAWA amounted to $4.47 million in 1991–92, and of SECWA $2.32 million (ATSIC Western Australia, personal correspondence, 25 January 1993). Estimated grants by ATSIC in 1992–93 were $5.08 million to WAWA and $3.05 million to SECWA.

The fact that AAPA and ATSIC are contributing the funds for the services delivered by SECWA and WAWA reflects the limited responsibility these authorities have accepted for the Aboriginal population of the State. AAPA has been unable to persuade these authorities to accept some ongoing responsibility for service delivery. As the AAPA explained in its 1989–90 Annual Report:

Both the State Energy Commission and the Western Australian Water Authority were in receipt of $1.5 million to maintain essential services in Aboriginal communities throughout the State. It is of concern to the Authority that both these agencies are reliant on Aboriginal Communities Development Programme funding to undertake this work particularly as 1990/91 will be the final year of this programme. The Authority is of the view that both agencies should accept these costs as part of their normal operations commencing from 1991/92. This view has been conveyed to both organisations (Aboriginal Affairs Planning Authority 1990, 10).
However, the then Minister for Aboriginal Affairs (Dr Watson) did suggest to the Legislative Assembly Estimates Committee that although the ACDP program ended in 1990–91, the ‘State has still contributed to those programs in the Budget this year (Parliamentary Debates, Estimates Committee. 16 October 1991).

In 1991–92, AAPA provided $1.5 million to SECWA for repairs and maintenance for power stations in 48 Aboriginal communities, and a further $2.9 million was spent on capital installations by SECWA. The capital works expenditure was funded by ATSIC. AAPA funding for repairs and maintenance in 1992–93 was budgeted to be $1.46 million, of which $775,069 was for communities in the Kimberley region (Collins, AAPA Officer, personal correspondence. 13 January 1993).

The expenditure under the Aboriginal Advancement Program by the Water Authority in the Kimberley region for the provision of water and sewerage to remote communities is summarised in Table 41. The Kimberley is included with the Goldfields and Mid West regions in the North West region of WAWA, which is administered from Karratha. The figures in column 1 are actual expenditure in 1991–92, while the figures in column 2 include expenditure in the communities up to and including spending in 1991–92. State Grants are payments from ATSIC directly to the Water Authority, whereas Grants in Aid are payments from ATSIC or the AAPA to the communities, which then forward these payments to WAWA. In the Kimberley region, of the total expenditure of Grants in Aid of $1.8 million, more than 85 per cent ($1.6 million) was funded by ATSIC.

| Table 41 Expenditure by Western Australian Water Authority in Aboriginal communities in the Kimberley region, up to and including 1991–92 |
|---------------------------------|---------------------------------|
|                                | 1991–92                         | All years to 1991–92 (§)        |
| Capital — State grants         |                                 |                                |
| East Kimberley                 | 616,989                         |                                |
| West Kimberley                 | 284,903                         |                                |
| East and West Kimberley        | 564,492                         |                                |
| Total Kimberley                | 1,466,384                       |                                |
| Total Kimberley, Goldfields    | 3,353,827                       |                                |
| and Mid West                   |                                 |                                |
| Capital — Grants in Aid        |                                 |                                |
| East Kimberley                 | 1,245,129                       |                                |
| West Kimberley                 | 595,659                         |                                |
| Total Kimberley                | 1,840,788                       |                                |
| Total Goldfields, Kimberley    | 2,897,862                       |                                |
| and Mid West                   |                                 |                                |

Source: Unpublished data supplied by Western Australian Water Authority (personal correspondence 18 December 1992)
Despite the provision of funding by ATSIC and AAPA, and unlike the situation in the Northern Territory until relatively recently, charges are levied for water and electricity usage in many Aboriginal communities in Western Australia. However, WAWA has considerable outstanding debts in the region. The total amount outstanding as at 21 September 1992 in the North West region was $8.6 million, of which $2.3 million was outstanding from prior to 30 June 1991. Following a question on notice in the Legislative Council, the Minister for Water Resources stated that $434,550 of the $2.3 million was owed by 'Aboriginal communities' (*Parliamentary Debates*, Legislative Council, 10 November 1992, 6433; 24 November 1992, 6952), although it is not clear whether the answer meant that the money is owed by individuals or organisations.

It is not surprising that there are large amounts of outstanding accounts from some communities. Partly this is because of the low incomes of the Aboriginal people living in these communities. But partly it is also because of the charging policies of the government authorities. In its 1990 report on *Essential Service Delivery to Aboriginal Communities in Western Australia*, the Equal Opportunity Commission of Western Australia was critical of the tariff policies of SECWA. As the Commission noted, SECWA classified, for billing purposes, many Aboriginal communities as non-domestic users, either because of a community facility on the site or because the site had no formal sub-division status. The result has been that many Aboriginal people, or more likely, Aboriginal organisations, have been charged a commercial or industrial tariff, and have not been granted the normal domestic concession rate. The Commission also noted that:

SECWA policy is not to provide individual household metering to Aboriginal communities housed on land which has no official sub-division status or no standard road access. Charges are often bulk-billed to the community leadership. This results in difficulties for communities who are changing to or encouraging a user-pays philosophy (Equal Opportunity Commission 1990b, 33).

The Water Authority was also subject to critical attention. The Commission noted that WAWA had chosen to interpret Aboriginal reserve communities, under the *Water Authority Act*, as non-rateable land. The costs of any work carried out of the land, such as the installation of individual meters, are to be borne by the community. Further:

Most Aboriginal communities are billed according to a 'Community Residential' classification charted to a single meter. This reportedly results in higher charges than if billed on an individual household basis ... (Equal Opportunity Commission 1990b, 35).

More recently, the report of the *Inquiry into Service and Resource Provision to Remote Aboriginal Communities in Western Australia* also commented on WAWA's policies. WAWA submitted that because of its legislation, and the Government's emphasis on the commercialisation of government enterprises, it could not take responsibility for assets in remote communities because of difficulties of raising revenue in these remote areas, and because it did not own the assets. This meant,
according to WAWA, that its role would necessarily be restricted to a consultant contractor for ATSIC. The Authority did not believe it had any obligation to provide services to remote communities, whether they were Aboriginal communities or other communities (Peter Alexander & Associates 1991, vol 2, 47–9). One result has been that houses can, and are, built, in Aboriginal communities, without access to water, sewerage or electricity.

A further issue that was raised during some of the meetings of the researchers with Aboriginal organisations was that the costs of using SECWA and WAWA as contractors were excessive. Both authorities charge an administration fee for work undertaken for ATSIC, and there has been criticism of the high costs of the services provided compared with private contractors. The existing system means that no significant decision making is exercised by Aboriginal organisations or communities about service delivery. The community or Aboriginal organisation may well be able to undertake much of the work with its own resources, or may be able to contract the work to private contractors at a lower cost than SECWA or WAWA. At the moment, such decisions cannot be made by the resource centres or the community organisations. There have also been suggestions that WAWA and SECWA have been allocating costs from other activities on to the budgets of services provided to Aboriginal communities. This issue was indirectly raised by Sinclair Knight in its report for WAWA on the future of the Ord River scheme.

The existing accounting policies of the Water Authority provide for local Overheads (District Support Activities — D.S.A.) to be distributed proportionately over the total expenditure associated with the Sub-regional activities. Currently 33% of that expenditure is for the provision of water supplies to 24 Aboriginal communities. Decisions on this allocation lie outside the budgetary control of the Water Authority. Abrupt termination of this allocation would mean that under existing Water Authority manpower practices, unacceptably high costs would be re-allocated to the remaining services, at least until the rationalisation of staff numbers could be accomplished (Sinclair Knight 1992, 54).

The clear implication of this statement is that WAWA is dependent on the budget allocations for the provision of water services to remote Aboriginal communities to spread its overhead costs across the full range of services provided in the east Kimberley. As Sinclair Knight pointed out, the Ord River scheme is already subsidised by other water consumers. Aboriginal people are, through the program spending of ATSIC, also contributing to the maintenance of the existing employment levels in WAWA in Kununurra. Given the high priority for expenditure on essential services in remote Aboriginal communities, it must seriously be questioned whether ATSIC should persist with this pattern of subsidisation.

However, in an unpublished paper prepared for the Western Australian State Advisory Committee meeting on 4–6 March 1992, ATSIC actually indicated that there were many advantages in providing State grants to SECWA and WAWA for power and water services. The advantages suggested by ATSIC were: that agreements could be negotiated for the whole of the State; WAWA and SECWA were statutory authorities
accountable to ‘politicians’ and the State Auditor General; each agency has multiple expertise and they were regionalised; they have developed an extensive data bank on Aboriginal communities; correct standards were maintained; and cyclical maintenance is provided through a State program. The disadvantages were perceived to be: the lack of control by Aboriginal people; no feed back on the progress of projects; State agencies ‘not caring about the projects’; and State agencies delaying the commencement of projects. The additional costs associated with the use of WAWA and SECWA instead of private contractors was not discussed.

SECWA and WAWA are likely to undergo significant structural change in the next few years. Corporatisation, and increasing emphasis on profitability and better asset management have been at the core of public sector change across Australia for the past decade. The funding and nature of the ‘community service obligations’ of large public sector authorities have been an important part of the debate about the future of these type of organisations. The recommendations of the Independent Commission to Review Public Sector Finances about SECWA and WAWA are likely to result in significant changes for both organisations (Independent Commission to Review Public Sector Finances 1993, vol 2. 439–466). However, at this stage it is not clear how the services to remote Aboriginal communities will be affected by these recommendations if they were to be implemented by the Government. On the one hand, further moves to contracting out and improvements in productivity by the authorities could result in lower costs of service delivery for these communities. Such moves could open the way for Aboriginal communities to take greater control of service delivery and the decisions about service delivery. For example, the Commission’s consultants estimated that savings of up to 30 per cent on competitively tendering capital works projects, 20 per cent from maintenance and 25 per cent from engineering services could be achieved by contracting out certain activities of WAWA (Independent Commission to Review Public Sector Finances 1993, vol 2, 36).

On the other hand, it is possible that the increasing emphasis on commercial returns and reductions in community service obligations by SECWA and WAWA could result in more expensive power and water services to many of the remote communities. This could occur if the pricing policies of the authorities were changed to ensure greater cost recovery. Both authorities could use the commercialisation and corporatisation processes to reinforce their position that they have no service delivery responsibilities to remote Aboriginal communities.

**Ministry of Sport and Recreation**

The Ministry of Sport and Recreation is a relatively small Western Australian Government department, with total expenditure in 1991–92 of $5.9 million. Commonwealth funding in 1991–92 amounted to $289,739. Total expenditure in 1992–93 was $9 million, and was budgeted to rise to double ($18.1 million) in 1993–94. In 1991–92 the Ministry contributed $40,000 to the Aboriginal Sport and
Recreation Foundation, an amount which represented more than half of the Foundation’s operational funding.

The Ministry has claimed that it has been active in assisting Aboriginal sport and recreation, particularly in the Kimberley and Mid-West regions of the State. Garnduwa Amboorny Wirman Inc is a regional sport and recreation council for remote communities in the Kimberley region. It is supported administratively by the Ministry from the Broome office, and more than 20 recreation officers were appointed in 16 Aboriginal communities in 1991–92. Sixteen of these people were enrolled in the TAFE Community Recreation Officer Training Program (Ministry of Sport and Recreation 1992, 35).

The Ministry’s spending in 1992–93 in the Kimberley region amounted to $124,000, including $14,000 for the operational expenses of an Aboriginal Sport Development Officer. These officers are appointed by the Aboriginal communities, and as in many other areas of service delivery the funding is usually supplemented by CDEP wage payments (personal correspondence, 10 December 1992).

Department for the Arts

An important function of the Department for the Arts is to distribute grants to artistic and cultural organisations. In 1991–92 the Department received 58 applications for financial funding of Aboriginal arts, totalling $725,634. Many of these applications were from non-metropolitan areas that previously had had little support. Thirty-eight of the applications were funded, totalling $243,000 (Department for the Arts 1992, 26). Total grants paid for Aboriginal programs in 1991–92 were $466,352, which was 4.5 per cent of the Department’s total grants.

The Department’s funding under its Aboriginal program in the Kimberley region amounted to $99,100, about 42 per cent of total funding for the State under this program. In addition, Magabala Books received $152,000 in general purpose grants for its operations in 1991 and 1992. The details of the grants, as recorded in the Department’s Annual Report 1991–92, are shown below:

- Magabala Books in Broome: $161,000
- Broome Musicians Aboriginal Corporation: $39,000
- Goolarabooloo Arts and Crafts Store (Broome): $11,000
- Karrayili Adult Education Centre (Fitzroy Crossing): $14,000
  for Mangkaja arts and crafts
- Ngunga Women’s Aboriginal Corporation (Derby): $7,000
- Ngunga Women’s Group/Ngunga Designs (Derby): $4,000
- Waringarri Aboriginal Arts: $12,500
- Apex Club of Derby: $2,000
Lotteries Commission

The Lotteries Commission conducts lotteries, lotto and soccer pools in Western Australia. However, from the profits made on these activities, the Commission distributes grants to a wide range of organisations, according to the following formula: 5 per cent to non-government organisations or shire councils; 16 per cent to hospitals; 2 per cent to sports; and 2 per cent to the arts. These grants totalled $93.5 million in 1991–92 (Lotteries Commission 1992, 5). According to the Commission, a significant proportion of the grants are paid to ‘traditional community service organisations’ which target people with special needs, including people with disabilities, the aged, the homeless and Aboriginal people. The major part of the funding in the Kimberley region was for the construction of a Lotteries House in Broome. The Lotteries House program provides shared office accommodation for community organisations, and there are seven such buildings in Western Australia. The funding to organisations in the Kimberley region represented about 4 per cent of the total Lotteries Commission grants in 1991–92, with funding to Aboriginal organisations and communities totalling almost $300,000.

Table 42 Lotteries Commission grants in the Kimberley region, 1991–92

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lotteries House Broome</td>
<td>849,000</td>
</tr>
<tr>
<td>One Arm Point School</td>
<td>38,418</td>
</tr>
<tr>
<td>Broome Botanical Society Inc</td>
<td>37,350</td>
</tr>
<tr>
<td>Wyndham Hostel</td>
<td>36,000</td>
</tr>
<tr>
<td>Derby Community Youth Centre</td>
<td>35,500</td>
</tr>
<tr>
<td>Manungka Women's Association (Balgo)</td>
<td>34,198</td>
</tr>
<tr>
<td>Mowanjum Aboriginal Corporation</td>
<td>30,989</td>
</tr>
<tr>
<td>Djarindjin Aboriginal Corporation (Broome)</td>
<td>30,459</td>
</tr>
<tr>
<td>Bardi Aboriginal Association/Ardiyon Women's Group</td>
<td>29,600</td>
</tr>
<tr>
<td>Darungunaya Aboriginal Community (Fitzroy Crossing)</td>
<td>29,646</td>
</tr>
<tr>
<td>Fitzroy Crossing District High School</td>
<td>25,000</td>
</tr>
<tr>
<td>Kurnangki Aboriginal Community (Fitzroy Crossing)</td>
<td>24,788</td>
</tr>
<tr>
<td>Fitzroy Crossing Progress Association Inc</td>
<td>23,405</td>
</tr>
<tr>
<td>Derby Youth Centre</td>
<td>21,956</td>
</tr>
<tr>
<td>Bidyadanga Aboriginal Community</td>
<td>21,776</td>
</tr>
<tr>
<td>Looma School</td>
<td>18,061</td>
</tr>
<tr>
<td>Kururrungku Catholic School (Billiluna)</td>
<td>12,000</td>
</tr>
<tr>
<td>Mulan Aboriginal Corporation</td>
<td>9,700</td>
</tr>
<tr>
<td>Derby District High School P &amp; C</td>
<td>7,307</td>
</tr>
<tr>
<td>Kununurra Youth Services Management Committee</td>
<td>6,500</td>
</tr>
<tr>
<td>Kununurra Crisis Accommodation Centre</td>
<td>5,510</td>
</tr>
<tr>
<td>Mangkaja Arts and Crafts</td>
<td>4,880</td>
</tr>
<tr>
<td>Lombadina Aboriginal Corporation</td>
<td>4,575</td>
</tr>
<tr>
<td>Broome Aged and Disabled Services Committee</td>
<td>4,515</td>
</tr>
<tr>
<td>Kimberley Language and Resource Centre</td>
<td>2,813</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,343,946</strong></td>
</tr>
</tbody>
</table>

Source: Lotteries Commission (1992)
Western Australian Museum

The Department of Aboriginal Sites is a division of the Western Australian Museum. The Department administers the Aboriginal Heritage Act, and is the executive body of the Aboriginal Cultural Material Committee. In 1991–92 the Department had 17 full-time staff, one of whom was in Derby. However, the staff in the Kimberley region was increased to 6 in 1992–93, and the budget increased from approximately $60,000 to $485,000 in 1992–93. A sub-regional office will be opened in Kununurra. The increase in the Kimberley regional budget reflects the increasing regionalisation of the Department, and the very rapid increase in workload associated with the legislation. There is clearly a changing focus of the work of the Department, reflecting the increased development pressures in the more remote areas of the State:

The demands on the Department have forced the role of the Documentation section to become increasingly administrative rather than field-oriented. Emphasis has shifted from site documentation to evaluation of land for development purposes. This involves an increased workload, advising developers of legislative requirements, conducting register searches for sites, processing consultants reports and preparing documentation for the Cultural Material Committee (Western Australian Museum 1992, 82).

Conclusion

There are a large number of Western Australian government departments and agencies with operations in the Kimberley region. Total identified spending by these departments and authorities was approximately $78 million in 1991–92. The Health Department of Western Australia and the Ministry of Education accounted for more than three-quarters of the total expenditure. The total expenditure by the State Government in the region has not been possible to estimate, since information for a number of departments and authorities was not obtained, notably from the Department of Agriculture and the Department of Corrective Services.

It is not without significance that the Police Department was responsible for the third highest amount of expenditure by the Western Australian Government in the Kimberley region. Expenditure by the Police Department exceeded the expenditure on all public housing by Homeswest, and the Police Department’s expenditure was almost as much as the expenditure by the Health Department on community and preventative health.

When the spending of the State Government departments and agencies is added to the spending of the shire councils in the region, total spending by State and local government in the Kimberley region in 1991–92 was approximately $100 million. This amounted to approximately $4,400 per capita. For the State as a whole, Western Australian public sector spending in 1991–92 was $7,340 million, or approximately $4,600 per person. Total government spending in the Kimberley region was somewhat higher than $100 million, which would produce a per capita figure similar to the

207
State-wide figure. However, given the infrastructure deficiencies, the socio-economic characteristics of a large segment of the regional population, and some of the other features of the regional economy, one might have expected a significantly higher level of spending in the region by the State Government. Health spending, which accounted for a significant proportion of total government spending in the region, was at a relatively high per capita level. This would suggest that the actual commitment of government spending in the region by the other departments and authorities was at a far lower level than would be expected given some of the difficulties experienced by many people living in the region.

Summary

There are a large number of Western Australian government departments and agencies with operations in the Kimberley region. Total identified spending by these departments and authorities was more than $78 million in 1991–92. The Health Department of Western Australia and the Ministry of Education accounted for three-quarters of the total expenditure. In neither case is Aboriginal-specific spending a significant component of the expenditure, although the high hospital utilisation rates of Aboriginal people impact on the level of expenditure by the Health Department.

Expenditure by the Health Department in 1991–92 in the Kimberley region was $37.2 million, the Ministry of Education $25.2 million, the Aboriginal Affairs Planning Authority $1.6 million, the Department for Community Development $3.9 million, and the Police Department $6 million. Expenditure by the four shire councils in 1991–92 was $23 million.

Although there is strong evidence of the housing and community infrastructure deficiencies in Aboriginal communities, the number of dwellings rented by non-Aboriginal people from government departments and agencies (1,425 dwellings) is almost three times the number rented by Aboriginal people (585 dwellings).

Much of the spending of the departments and authorities on Aboriginal programs and services is based on specific purpose payments from the Commonwealth Government or ATSIC. This includes much of the spending by Homewest, AAPA, the Ministry of Education and the Health Department.

In addition, some of the spending is included in the assessments made by the Commonwealth Grants Commission, and the increased costs associated with servicing the Aboriginal population, particularly in health, are reflected in the untied Commonwealth payments to Western Australia.

The overall policy framework of the Western Australian Government still continues to be based on two assumptions: that the Government has only
limited responsibility to provide services to Aboriginal people, and that any services to Aboriginal people will generally be provided by the mainstream service agencies.

Despite the change in rhetoric in the *Aboriginal Plan 1993*, the policy-making of the Western Australian Government seems to have been almost completely unaffected by recent developments, particularly the reports of the Royal Commission into Aboriginal Deaths in Custody.

This is not to deny that any positive changes have been made following the Royal Commission. But in some key respects, the marginalised position of Aboriginal people as a consequence of the policies and practices of the State Government, and some of the key commercial interests in the State, seems to have deteriorated, particularly following the election of the Court Government.
CHAPTER 9

THE ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION IN WESTERN AUSTRALIA

Introduction: the ATSIC structure

The Aboriginal and Torres Strait Islander Commission (ATSIC) commenced operations on 5 March 1990. The Commission replaced the former Department of Aboriginal Affairs and the Aboriginal Development Commission. ATSIC is a new development in Commonwealth Aboriginal Affairs administration in that it has both an executive, or a normal public service structure, and an elected structure made up of regional councillors and Commissioners.

For the period that much of the information in this book relates, the financial years 1991–92 and 1992–93, ATSIC's elected arm comprised 17 elected Aboriginal and Torres Strait Islander Commissioners, representing 17 zones, and three Commissioners appointed by the Minister for Aboriginal and Torres Strait Islander Affairs, including the chairperson. There were 60 regional councils. Each of the 17 elected Commissioners was elected by the regional councillors in each zone, while the regional councillors were elected by a direct vote of the Aboriginal and Torres Strait Islander population in that region.

In Western Australia there were three zones: Western Australia North Zone, Western Australia South Zone, and Western Australia Metropolitan Zone. However, Aboriginal people living in the central and south-eastern areas of Western Australia were included in the Central Australian Zone. Until the recent changes, this Zone covered two States and the Northern Territory. There were eight regional councils in the Western Australia North Zone, four in the Western Australian South Zone, and one in the Metropolitan Zone. There are ATSIC regional offices in Perth, Kalgoorlie, Hedland, Derby, Kununurra, Geraldton, and the State office is in Perth. The former Broome subregional office is now a regional office.

The new ATSIC structure

In May 1993 the Government amended the ATSIC legislation to reduce the number of regional councils from 60 to 36. Following the second round of ATSIC elections in December 1993 the Commissioners and regional council chairpersons will be full-time appointments. The Aboriginal and Torres Strait Islander Commission Amendment Bill, introduced by the Government in the Senate (Parliamentary Debates, 18 May 1993, 662), was intended to remove the Minister's power to choose
the chairperson of ATSIC and the two non-elected Commissioners. However, the Opposition successfully amended the bill in the Senate, and there will continue to be two non-elected Commissioners, and the Minister will appoint the chairperson from the 19 Commissioners. Senator Teague, speaking on behalf of the Federal Opposition, argued that the two appointed Commissioners would:

... have a special sense of responsibility to ensure that there is accountability for what is looking like about one per cent of Commonwealth expenditure on Aboriginal affairs ... there are already four or five accountability mechanisms in place and this initiative makes for another (Parliamentary Debates, Senate, 19 May 1993, 823).

In the Kimberley region the number of regional councils was reduced from six to three. The Wunan, Yarleyel and Kutjungka Regional Councils were amalgamated, the Bandaral Ngadu and Jayida Buru Regional Councils were amalgamated, and the Kullarri Regional Council remains as it was prior to the legislative amendments. The boundaries of the new regional councils are almost identical to the boundaries of the shire councils, except that the Kununurra Regional Council includes the Shires of Wyndham–East Kimberley and Halls Creek. The WA North Zone now only includes the 3 regional councils in the Kimberley region.

The changes to the regional council boundaries, and the reduction in the number of regional councils, was met with a degree of opposition from Aboriginal people in some parts of Australia after the new boundaries were announced. The changes are likely to cause considerable uncertainty and further confusion about ATSIC, and it may take a number of years for the situation to stabilise again, if indeed it does stabilise. It is not clear what motivated the Commissioners to recommend the changes to the Government, although it seems that the opportunity to be elected into full-time, relatively highly paid positions was an important factor. It would appear that the trade-off for the increased costs of the full-time appointments presented to the Commissioners was a reduction in the number of regional councils. The new boundaries certainly reflect the obsession about reorganising and restructuring government departments and agencies that seems to permeate much of the Canberra bureaucracy. In some respects, the reorganisations and restructuring are a substitute for effective action, rather than a means of achieving better and more effective service delivery. It is becoming increasingly difficult to reconcile the Minister’s statements about the benefits of ‘streamlining’ the organisation, and the contribution of the reorganisation to Aboriginal self determination and self management, with the ongoing problems at the local level. Many of these problems were identified by the Commonwealth Auditor-General in his report on ATSIC’s regional administration (Commonwealth Auditor-General 1992).

As Wolfe has argued, the initial regional council boundaries were already quite contentious in some parts of Australia:

It is not surprising, therefore, that peoples, communities of residence and organisations thrown together in ATSIC council regions do not share common development goals. Nor is it surprising, as Coopers and Lybrand noted, that there
is a pervasive lack of commitment to the concept of 'region' upon which the entire regional planning activity is premised. The original proposal for ATSIC for 'some 28 regions' was increased substantially to the present sixty: a major concession to the significance of localism within Aboriginal culture. Evidence suggests that this is still too few 'regions' to accommodate the diversity and localism of the Aboriginal domain ... (Wolfe 1993c, 28).

How the revised boundaries will impact on regional planning is yet to be determined. How they will impact on the legitimacy of ATSIC is also an important question (Wolfe 1993d). What does seem to be clear, based on the experience of the period 1990–93, is that an enormous amount of time and money will be spent adjusting to the new arrangements. One of the problems with the period 1990–93 was that by the time the elections for regional councillors and Commissioners were held, a number of annual budget cycles had passed. The elections for the new regional councils will be held in December 1993 and the Commissioners will be elected some time later. By the time that the new elected structure is in place, planning for the 1994–95 budget cycle will already be underway.

The overall budget context of ATSIC

ATSIC's spending in the period 1991–94 was comprised of six main components: administration costs; funds allocated by the regional councils; State grants, which are paid to State and Territory governments; multi-regional projects; the Community Development Employment Project scheme wages, oncosts and support funding; national provisions excluded from the regional council allocations; and enterprise loans and grants.

In 1991–92 total Commonwealth spending on Aboriginal Affairs programs and services amounted to $1,161 million, and $1,316 million in 1992–93. By far the largest proportion of this spending was by ATSIC, which was responsible for program expenditure of $513 million in 1991–92 and $674 million in 1992–93. Expenditure by other Aboriginal Affairs portfolio agencies, including Aboriginal Hostels Ltd, the Aboriginal and Torres Strait Islander Development Corporation, and the Aboriginals Benefit Trust Account totalled $77 million in both years. The Department of Employment Education and Training was responsible for expenditure of $390 million in 1991–92 and $352 million in 1992–93. The Department of Health, Housing and Community Services was responsible for expenditure of $143 million in 1991–92 and $162 million in 1992–93 (Commonwealth of Australia, Budget Related Paper No 7, 1992–93, 30; 1993–94, 33). However, these Budget Related Papers do not include the administration and other costs of ATSIC. When these expenditures are included, total spending in the Aboriginal Affairs portfolio was $645.8 million in 1991–92. This was projected to rise to $862 million in 1992–93, reflecting the increased expenditure associated with the implementation of the recommendations of the Royal Commission into Aboriginal Deaths in Custody and the National Aboriginal Health Strategy (Commonwealth of Australia 1992b, 265–6).
In terms of program expenditure, there are four major areas of expenditure:

- Community Development Employment Projects scheme ($204.5 million in 1991–92 and $234.6 million in 1992–93)
- Community Housing and Infrastructure ($168.5 million in 1991–92 and $165 million in 1992–93)

Source: Commonwealth of Australia 1992b

The other main item of expenditure is administration costs which amounted to $96.6 million in 1991–92, $114.6 million in 1992–93, and were projected to rise to $119 million in 1993–94. Administrative costs, including the costs associated with the Commissioners and regional councillors, represented about 14 per cent of the total outlays. The size of the administration costs has generated considerable criticism from some sections of the Aboriginal community. Nugget Coombs and Peter Jull commented that the cost of administering ATSIC programs was 'wholly disproportionate to the benefits actually reaching Aborigines' (Coombs & Jull 1993, 47).

The annual expenditure of well over one billion dollars on Aboriginal Affairs programs and services might seem to be quite a substantial commitment by the Commonwealth Government, however, a number of points need to be kept in mind. Total Commonwealth Government expenditure in 1991–92 was $102.3 billion ($109.4 billion in 1992–93), and expenditure on Aboriginal programs and services represented about 1.1 per cent of total Commonwealth spending in 1991–92 and 1.2 per cent in 1992–93. It is not unreasonable to expect that the Commonwealth expenditure would be substantial, partly because the Commonwealth Government has accepted that it has a special responsibility to Aboriginal people, and partly because it has the financial resources, through its taxation powers, to raise sufficient revenue to commit resources to such programs.

However, the Commonwealth spending is not the full extent of spending by governments on Aboriginal programs and services, since the State and Territory governments, and to a much lesser extent local governments, do commit funding to Aboriginal programs and services. The Northern Territory Government, for example, has estimated that its expenditure on programs and services for Aboriginal people may be as much as $300 million. A large part of this expenditure, however, is attributable to the use of mainstream medical and health services by Aboriginal people. In a sense, this is not so much a reflection of the commitment of the Government to Aboriginal people as a reflection of the poor health situation of many Aboriginal people. The evidence presented in this report suggests that spending by the Western Australian Government on Aboriginal programs and services is far less substantial than that of the Northern Territory Government, but that the pattern of
spending is similarly dominated by expenditure on mainstream health and medical services which are heavily utilised by Aboriginal people in some parts of the State.

Much of the spending identified at the Commonwealth level is comprised of what should more properly be categorised as *citizenship entitlements*. A similar situation applies to much of the spending of the State and Territory governments. Much of the spending by the Commonwealth Department of Employment, Education and Training, for example, although it may be spending on programs specifically designed for Aboriginal people, is in fact spending on education programs and services that any Australian citizen should expect. Similarly, about 60 per cent of the expenditure under the CDEP scheme, which is the largest single category of expenditure of ATSIC, represents the payment of ‘wages’ instead of unemployment benefits (Job Search Allowance and New Start Allowance). If the cost of the social security component of the CDEP scheme is deducted from ATSIC’s total expenditure on CDEP ($204.5 million in 1991–92), the net cost to the Commonwealth Government of the CDEP scheme was approximately $81 million in 1991–92 (Aboriginal and Torres Strait Islander Commission 1993a, 36). When account is taken of the spending on the citizenship entitlement component of the CDEP scheme, ATSIC’s total program expenditure in 1991–92 was $390 million rather than $513 million, and total Commonwealth spending on Aboriginal affairs programs and services can be adjusted downwards accordingly.

One of the key elements of disagreement within ATSIC has been the degree of responsibility for expenditure decisions exercised by the regional councils. This is understandable in any organisation that must balance national priorities against the more localised perspectives of those living in the regions. ATSIC has indicated that the responsibility of the regional councils has been subject to a ‘phased approach’ to resource allocation. In 1991–92, the first year of regional council program budgets,

... the Commission recommended to the Minister that Regional Council Program Budgets be confined in scope to recurrent funding for ongoing regional projects (Aboriginal and Torres Strait Islander Commission 1993a, 105).

However, for 1992–93:

... the scope for Regional Council program budgets has been extended to encompass all ongoing funding for eligible Regional Council programs, with the exception of funding for multi-Regional projects (projects which benefit more than one Regional Council area), a small number of national programs and national support provisions ... [but] the 1992–93 new initiative funding will be administered for the most part by the Commission as national programs in 1992–93, in consultation with the Regional Councils (Commonwealth of Australia 1992b, 23).

In 1992–93 the program budgets allocated by the regional councils increased by 95 per cent to $149.4 million, and this was projected to rise to $231.2 million in 1993–94. The regional councils were responsible for the allocation of about 21 per cent of total ATSIC program expenditure in 1992–93 (Commonwealth of Australia 1992b, 265).
However, if the expenditure on the CDEP scheme is excluded from consideration, the regional councils were responsible for the allocation of about 31 per cent of the ATSIC program expenditure in 1992–93, and 41 per cent in 1993–94 (Commonwealth of Australia 1993b, 17). It is not unreasonable to exclude the expenditure on the CDEP program since there is relatively limited discretion in the spending, which is largely determined by the number of participants and the number of schemes in operation.

<table>
<thead>
<tr>
<th></th>
<th>Regional councils</th>
<th>States grants</th>
<th>Multi-regional ($000)</th>
<th>CDEP</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>20,611</td>
<td>0</td>
<td>8,571</td>
<td>4,574</td>
<td>33,758</td>
</tr>
<tr>
<td>Victoria</td>
<td>10,775</td>
<td>155</td>
<td>2,144</td>
<td>576</td>
<td>13,650</td>
</tr>
<tr>
<td>Tasmania</td>
<td>2,025</td>
<td>52</td>
<td>0</td>
<td>0</td>
<td>2,077</td>
</tr>
<tr>
<td>Queensland</td>
<td>35,555</td>
<td>3,493</td>
<td>8,361</td>
<td>15,812</td>
<td>63,220</td>
</tr>
<tr>
<td>South Australia</td>
<td>18,218</td>
<td>4,390</td>
<td>1,895</td>
<td>3,637</td>
<td>28,141</td>
</tr>
<tr>
<td>Western Australia</td>
<td>32,983</td>
<td>8,400</td>
<td>5,907</td>
<td>12,078</td>
<td>59,369</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>32,434</td>
<td>258</td>
<td>10,040</td>
<td>13,268</td>
<td>56,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>152,601</td>
<td>16,748</td>
<td>36,918</td>
<td>49,945</td>
<td>256,215</td>
</tr>
</tbody>
</table>

*The figures for CDEP do not include the wages component, only the on-costs and support payments

Source: Aboriginal and Torres Strait Islander Commission (1992a)

Some of the annual reports of the ATSIC regional councils in the Kimberley region were critical of some aspects of ATSIC's administration, and the funding framework for Aboriginal affairs. The chairperson of the Bandaral Ngadu Regional Council was particularly critical of the minimal decision making power of regional councillors:

It now appears that our idea that the Bandaral Ngadu Regional Council would be making the decisions that affect our region is not true. The ATSIC Administrative arm has not given us more programmes to decide on but less. There are now more National programmes than when we started. The question is: why has this happened when it should be going the other way. It also appears that other Commonwealth and State Agencies do not even recognise us as the decision making body for our region. Also, we ask why it is that Federal Aboriginal funding is still going to State Government Agencies instead of coming directly to us ... The Federal Government's policy is that Aboriginal people should be making the decisions. The idea of ATSIC was that decision making should be with the people. Yet we see less of this now than a year ago. Then we have the funding cycle which does not fit our climate and our planning process. By the time most
Aboriginal people in the economy of the Kimberley region

funding is released we are in our wet season and no physical development can take place for four or five months, giving us very little time to complete projects by the end of the financial year (Bandaral Ngadu Regional Council 1993, 5).

The chairperson of the Jayida Buru Regional Council commented:

As a general comment it would seem that there are a profusion of programs and sources of funds that merely hide the real amounts of Federal funds that are allocated to ATSIC to implement programs that are intended to alleviate poverty and lead to self management and self sufficiency among Aboriginal people. In the meantime less and less program development and Regional management is taking place. We are moved to question the future of Regional councils (Jayida Buru Regional Council 1993, 18).

These comments were made before the regional council boundaries of ATSIC were reorganised. Considerable anger and frustration was expressed to the researchers by some regional councillors about the changes during our visits to the Kimberley region in mid-1993.

The debate about the national distribution of ATSIC funding

Within ATSIC there are two important broad debates about the allocation of funding. These are the debates about:

• how much of ATSIC’s funds should be distributed to each State and Territory
• how much of the ATSIC funds allocated to each State or Territory should be allocated to each regional council within that State or Territory.

These funding allocation debates are very important, and involve some very complex issues. There are significant differences in the socio-economic status of the Aboriginal population between the States and Territories, and within each State and Territory. The data about the Aboriginal population that might assist the decision-makers is improving, but still inadequate, as the difficulties the Australian Bureau of Statistics has had with the preparation of the data from the 1991 Census suggests. But even with the best data, it is highly unlikely that the funds available for distribution by ATSIC will ever be sufficient to make much of an impact on the present level of need. This is especially the case when account is taken of the rapid population growth of the Aboriginal population, the continuing deterioration of the existing stock of housing and community infrastructure, and the costs of providing services to people who are resettling in increasingly remote areas of Australia.

The figures in Table 43 were prepared by the ATSIC Finance Branch for a particular purpose. Some Aboriginal people in the eastern States have argued that too many resources are being directed at Aboriginal people in northern Australia, and that Aboriginal people in northern Australia have benefited disproportionately from government legislation for land rights. Some of the ATSIC Commissioners from these States have argued that ATSIC should primarily base its future funding on the numbers of Aboriginal people living in each State and Territory. If a move to equal
per capita funding were to be introduced, funding in parts of northern Australia, notably the Kimberley region and the Northern Territory, would decline substantially.

Partly in response to these concerns, and partly in response to the accountability requirements of the Commonwealth Parliament, ATSIC has attempted to quantify the levels of disadvantage of the Aboriginal population in different parts of Australia. The Office of Evaluation and Audit published a paper which attempted to construct an index of socio-economic disadvantage, based on data from the 1976 and 1986 Censuses. The paper found that although the Aboriginal population showed a 12 per cent improvement in its socio-economic status, the gap relative to the total Australian population widened during the period. The regional councils calculated to have the most disadvantaged populations were predominantly in the Kimberley region, the Northern Territory and coastal Queensland (Khalidi 1992).

ATSIC has also attempted to incorporate other, more recent, measures of disadvantage into its funding deliberations, including the survey of housing and community infrastructure undertaken for ATSIC by Australian Construction Services. The first stage of the survey, which was only for non-urban areas, found that the estimated costs of providing and repairing housing, and upgrading roads in Aboriginal communities, amounted to $1,853 million. Almost 50 per cent of this expenditure was required in communities in the Northern Territory and Western Australia (Australian Construction Services 1992a).

ATSIC Finance Branch has undertaken calculations using various methods of distributing funds nationally. Included in the calculations were funds for allocation by regional councils, State and Territory grants, multi-regional programs, and CDEP oncosts and support funding. CDEP wages funding was not included because it is an income support payment. ATSIC assessed that on the then existing distribution of funds, the Aboriginal population of New South Wales accounted for about 26 per cent of the national Aboriginal population, but in 1992–93 only 13.2 per cent of ATSIC program funds were allocated to that State ($477 per capita). For the Northern Territory the figures were 14.9 per cent of the Aboriginal population and 21.9 per cent of ATSIC program funding ($1,461 per capita), and Western Australia 15.5 per cent of population and 23 per cent of funding ($1,484 per capita).

If the information from the Housing and Community Infrastructure Survey is used to demonstrate needs, and this criteria is used to allocate the ATSIC funding, then the share of the Northern Territory would rise from 21.9 per cent to 32 per cent (column 3), Western Australia would fall from 23 per cent to 17.9 per cent, and New South Wales would fall from 13.2 per cent to 12.7 per cent. If the index of socio-economic disadvantage, calculated by Khalidi, is used to distribute the funds (column 4), the share for each State and Territory is not much different from its population share. The overall conclusion, which was very preliminary, was that there may be a case for ATSIC to redirect some of its funding away from South Australia and Western Australia to New South Wales and the Northern Territory (Aboriginal and Torres Strait Islander Commission 1992c).
The other factor that needs to be taken into account is the extent to which the State and Territory governments are prepared to undertake expenditure on Aboriginal programs and services. The Northern Territory Government spends relatively large amounts of money on the provision of services to Aboriginal people, including those living in remote areas, mainly because of very high levels of per capita funding the Government receives from the Commonwealth Government. On the other hand, the Western Australian Government has been very reluctant to commit its own resources to Aboriginal programs and services. Although the ATSIC allocations to Western Australia are somewhat larger than the State’s share of the national Aboriginal population, some of this spending was on programs and services that should have been the responsibility of the Western Australian and local governments. This included the funding to SECWA and WAWA for the provision of water and electricity services to remote Aboriginal communities.

Table 44 Funding distribution alternatives for ATSIC expenditure, based on 1992–93 expenditure

<table>
<thead>
<tr>
<th></th>
<th>Population distribution (1)</th>
<th>Existing distribution (2)</th>
<th>Needs distribution (3)</th>
<th>Index distribution (4) (Per cent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>27.5</td>
<td>13.2</td>
<td>12.7</td>
<td>24.6</td>
</tr>
<tr>
<td>Victoria/Tasmania</td>
<td>9.8</td>
<td>6.1</td>
<td>2.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Queensland</td>
<td>26.0</td>
<td>24.7</td>
<td>29.5</td>
<td>26.0</td>
</tr>
<tr>
<td>South Australia</td>
<td>6.2</td>
<td>11.0</td>
<td>5.9</td>
<td>8.4</td>
</tr>
<tr>
<td>Western Australia</td>
<td>15.5</td>
<td>23.2</td>
<td>17.9</td>
<td>16.3</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>14.9</td>
<td>21.9</td>
<td>32.0</td>
<td>17.0</td>
</tr>
</tbody>
</table>

Source: Aboriginal and Torres Strait Islander Commission (1992a)

Obviously it will be very difficult, if not impossible, to obtain a broad consensus in the Aboriginal population about funding priorities. Given the diversity of the Aboriginal population, and the extent to which the needs exceed the funds available, arguments over the most appropriate methods of distributing funds are not surprising. Many Aboriginal people and Aboriginal organisations in northern Australia believe that they are disadvantaged, and there is evidence to suggest that relative to other parts of Australia this is the case. But there is no general agreement that more funding should be provided for programs and services to the Aboriginal population in these areas when this will generally mean less resources for other areas. In some respects the debate amongst policy-makers in Aboriginal affairs has its parallels in the debates regarding the appropriate distribution of Commonwealth funds through the processes of the Commonwealth Grants Commission (see Chapter 4).
The allocation of funding to regional councils in Western Australia

A similar debate about the allocation of ATSIC funding has been occurring within each State and Territory. To assist the deliberations about the allocation of funds between each regional council in a State or Territory, and to discuss other broader issues, ATSIC established State Advisory Committees (SACs) in each State and Territory. These Committees make recommendations on the distribution of funds between the regional councils in each State and Territory. However, the SACs have also become a focal point of the disagreements between Aboriginal people in various areas of each State and Territory, and many of the meetings have been very acrimonious. In some respects the meetings have worsened the divisions between various groups and organisations. Some regional councils have expressed their concern that their own autonomy has been reduced by the decisions made at SAC meetings. The Commonwealth Auditor-General was also critical of the Committees, particularly about the lack of documentation relating to some of the key decisions, and for the fact that past allocations, not current need, was the primary criterion for determining funding levels (Commonwealth Auditor-General 1993, x).

In Western Australia there has been some tension between the SAC and the Western Australian Tripartite Forum, established under the National Aboriginal Health Strategy, over the determination of funding directions. As the Acting State Manager explained in his (unpublished) Monthly Report (6 June 1992):

The STF [State Tripartite Forum] comprises Aboriginal Health Service representatives who are jealously guarding their perceived responsibility to determine all matters relating to Aboriginal health. They openly state that the Western Australian Aboriginal Medical Services should be the representative body to examine and determine the directions of funding on all health related matters, and provide recommendations to the STF ... Conversely, the State Advisory Committee has unequivocally stated that it is the only body which can recommend the projects for the ATSIC funded program, and has agreed to consider policy comments from the State Tripartite Forum.

As with the debate about the national allocation of funding, the use of population figures as a guide for allocating funding within each State and Territory has been put forward by some groups. Within Western Australia, Aboriginal people and regional councillors from the more highly populated southern areas of the State have argued for an equal per capita distribution of funding. Given the relatively smaller Aboriginal population in some of the more remote areas of the State, including the Kimberley region, the application of equal per capita funding would result in a considerable reduction in funding to the regional councils in these areas.

The ATSIC Commissioners considered the draft 1993–94 budget for ATSIC at a Commission meeting on 29 March – 1 April 1993. The Commissioners were presented with the funding allocation recommendations of the SACs from each State and Territory. The Western Australian SAC meeting on 16–18 February 1993 made
recommendations for the allocation of $45.6 million of funding for the 14 Western Australian regional councils in 1993–94. Funding for five programs, amounting to $2.4 million, was divided equally between the regional councils. The six regional councils in the Kimberley region were allocated $19.9 million for 1993–94, 43.7 per cent of the funding allocated for the Western Australian regional council programs. When the multi-regional projects are included, the funding allocated to the Kimberley region was $22.3 million, approximately 40 per cent of the funding allocated by the SAC (excluding the allocation of $8.4 million of States grants project funding to WAWA and SECWA). Despite the pressure to introduce equal per capita funding from Aboriginal people in some parts of the State, the Kimberley region is still benefiting from the higher levels of spending relative to other areas of the State.

However, the Northern Territory SAC allocated $12.1 million of housing funding equally between the 12 regional councils for 1993–94 (about $1 million for each regional council). The total allocations by the SAC for regional council programs was $46.6 million, and $13.3 million or 28 per cent of the funding was allocated equally between the regional councils for 1993–94. Although equal allocations to each regional council may benefit those regional councils with smaller populations, it does not guarantee that the funding is allocated on an equitable basis. It also does not guarantee that funds will be allocated to those areas with the highest priorities, however these might be defined. Further, as Smith (1993a, 7) has noted, ATSIC itself has told the members of the SACs to avoid distributing funds equally between the regional councils and to take account of needs and priorities. The problem is that there are no established procedures for doing so. In response to this problem, in July 1993 ATSIC advertised nationally for a consultant to assist it compile an index of socio-economic disadvantage and to provide advice on the distribution of funding between the regional councils.

In a paper prepared by ATSIC (5 January 1993) for the February meeting of the Northern Territory SAC, funding for community infrastructure and housing from a number of sources was included with the ATSIC funding to show the then existing allocation of funding. A number of calculations were included in the paper, which demonstrated the complexities of allocating the funding. The paper commented that the then distribution did not allow a judgement as to whether each regional council received its ‘fair share’ of the funding. To do this would require an analysis of the population in each region, the level of need in terms of housing and infrastructure, the amount of assistance provided from other sources, and the breakdown between capital and recurrent spending. Given the complexities of the information, and the difficulties of making the funding allocation decision on any ‘objective’ basis, it is perhaps not surprising that the SAC decided to allocate ATSIC’s housing funding equally to each Northern Territory regional Council.

But the fact that the SACs in all States and Territories have made equal allocations to each regional council for some items of expenditure reflects the difficulties of reaching agreement about priorities. It also reflects, to some degree, the broader misunderstanding that exists among some Aboriginal groups that treating everyone
the same in the funding allocations does not mean that everyone is being treated equitably. This misunderstanding is not helped by the widespread use of the term ‘social justice’, which seems to be applied to virtually any government program that has anything to do with a particular disadvantaged group in the Australian community. ATSIC, for example, uses the term to describe expenditure on programs such as prisoner rehabilitation, improving Aboriginal-police relations and sensitivity in the selection and training of police officers, and alternatives to prison as a consequence of fine defaults (Commonwealth of Australia 1993b, 135).

The pattern of ATSIC spending in Western Australia

Total program expenditure by ATSIC in Western Australia in 1991–92 was $114.4 million. The expenditure for the Perth State Office, the regional offices, and each region, are shown in Table 45. Included in the accounts of the Perth State Office are the payments to SECWA and WAWA for the provision of essential services to remote Aboriginal communities. One of the regional councils, Kakarrarra Willurrara, was at the time in the Central Australian Zone. The Derby and Kununurra regional offices, and the 6 regional councils in the Kimberley region were responsible for $61.3 million of program expenditure, 53.6 per cent of the total Western Australian program expenditure by ATSIC in 1991–92. The administrative costs of ATSIC need to be added to the program expenditure, and these were estimated to be $2.2 million for the regional councils and $5.93 million for the State and regional offices in 1991–92. Of total spending by ATSIC in Western Australia, administration costs accounted for 6.6 per cent. This figure was considerably lower than the national figure of 14 per cent.

The total commitments for expenditure, as distinct from actual expenditure or disbursements, in Western Australia in 1991–92 were $120.6 million, $6 million larger than actual expenditure. An important reason for the under-expenditure during the financial year was related to expenditure commitments for the National Aboriginal Health Strategy and the implementation of some of the recommendations of the Royal Commission into Aboriginal Deaths in Custody. In the accounts of the Perth State Office, commitments of $3.92 million were recorded for the Aboriginal Affairs Planning Authority for the National Aboriginal Health Strategy and for the implementation of some of the Royal Commission recommendations, including the Aboriginal Visitors Scheme. No expenditure was recorded during the year in these categories. A further $250,000 of commitments were recorded in the Perth Regional Office for the National Aboriginal Health Strategy. As an indication of why these funds were not released in 1991–92, the Acting State Manager of ATSIC in Western Australia commented in his unpublished Monthly Report (6 July 1992):

The funds were offered to the Aboriginal Affairs Planning Authority (AAPA) for $110,000 to extend the Aboriginal Visitors Scheme to a number of country areas, and both that amount and the funds for the Family counselling proposal ($650,000) were rolled over into 1992/93. The AAPA requested that the funds for the Aboriginal Visitors Scheme not be released, but be rolled over by ATSIC, to avoid possible complications with the 1992/93 State budget allocations. The
Family Counselling proposal was not approved, despite the initial offer originating from the Minister’s office, as the WA Government has not developed a proposal to the satisfaction of the delegate. When advised of this, representatives referred to the latest Premier’s Conference outcomes, and suggested that ATSIC should now be complying with the broader Commonwealth initiatives in Commonwealth/State negotiations i.e. just transfer the funds without any strings. This offer was declined. ATSIC was also the target of severe criticism from the State, regarding the RCIADIC submissions for funding, without adequate guidelines being developed. AAPA has indicated that until these guidelines are developed and available, the WA Government will refrain from participation in that exercise.

Table 45 ATSIC program and administration expenditure in Western Australia, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Program expenditure ($)</th>
<th>Budgeted administration expenditure ($)</th>
<th>Actual administration expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perth State Office</td>
<td>11,027,190</td>
<td>1,119,186</td>
<td></td>
</tr>
<tr>
<td>Perth Regional Office</td>
<td>3,479,723</td>
<td>500,830</td>
<td></td>
</tr>
<tr>
<td>Karrkarinya</td>
<td>2,123,700</td>
<td>128,904</td>
<td></td>
</tr>
<tr>
<td>Wangki Nyinny</td>
<td>214,600</td>
<td>138,852</td>
<td></td>
</tr>
<tr>
<td>Kaatanyiny</td>
<td>410,000</td>
<td>189,839</td>
<td></td>
</tr>
<tr>
<td>Kalgoorlie Regional Office</td>
<td>11,499,124</td>
<td>759,312</td>
<td></td>
</tr>
<tr>
<td>Wongo</td>
<td>1,143,000</td>
<td>193,740</td>
<td></td>
</tr>
<tr>
<td>Warburton</td>
<td>4,176,800</td>
<td>152,082</td>
<td></td>
</tr>
<tr>
<td>Kakarrarra Willurrara</td>
<td>436,300</td>
<td>n.a.</td>
<td></td>
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<tr>
<td>Geraldton Regional Office</td>
<td>5,138,749</td>
<td>381,337</td>
<td></td>
</tr>
<tr>
<td>Yamatji</td>
<td>1,659,310</td>
<td>244,353</td>
<td></td>
</tr>
<tr>
<td>Hedland Regional Office</td>
<td>9,516,993</td>
<td>463,466</td>
<td></td>
</tr>
<tr>
<td>Ngarda-Ngari-Yamdu</td>
<td>1,315,050</td>
<td>164,010</td>
<td></td>
</tr>
<tr>
<td>Western Desert</td>
<td>936,950</td>
<td>165,030</td>
<td></td>
</tr>
</tbody>
</table>

Kimberley region

<table>
<thead>
<tr>
<th></th>
<th>Program expenditure ($)</th>
<th>Budgeted administration expenditure ($)</th>
<th>Actual administration expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derby Regional Office</td>
<td>35,539,255</td>
<td>1,516,846</td>
<td>138,653</td>
</tr>
<tr>
<td>Kularrri</td>
<td>1,607,910</td>
<td>153,410</td>
<td>139,357</td>
</tr>
<tr>
<td>Jayda Buru</td>
<td>1,027,800</td>
<td>152,241</td>
<td>159,373</td>
</tr>
<tr>
<td>Bandarali Ngadu</td>
<td>1,402,600</td>
<td>157,388</td>
<td></td>
</tr>
<tr>
<td>Kununurra Regional Office</td>
<td>17,453,775</td>
<td>1,191,857</td>
<td></td>
</tr>
<tr>
<td>Wunan</td>
<td>1,774,980</td>
<td>154,581</td>
<td></td>
</tr>
<tr>
<td>Yarleyel</td>
<td>1,483,662</td>
<td>108,443</td>
<td></td>
</tr>
<tr>
<td>Kulungin</td>
<td>984,844</td>
<td>83,105</td>
<td></td>
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</tbody>
</table>

TOTAL | 114,352,115 | 8,118,812 |

Source: ATSIC Finance Branch, Canberra; Regional Council Annual Reports
Table 46  ATSIC program expenditure in Western Australia and the Kimberley region, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Western Australia</th>
<th>Kimberley region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($)</td>
<td>($)</td>
</tr>
<tr>
<td><strong>Land and Economic Development Program</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Ownership and Administration</td>
<td>4,506,034</td>
<td>4,420,034</td>
</tr>
<tr>
<td>Socio-economic Development:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CDEP Wages</td>
<td>34,217,891</td>
<td>22,612,607</td>
</tr>
<tr>
<td>CDEP On-costs</td>
<td>7,041,355</td>
<td>3,923,875</td>
</tr>
<tr>
<td>CDEP Support</td>
<td>5,793,575</td>
<td>3,015,655</td>
</tr>
<tr>
<td><strong>Social Advancement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>8,787,321</td>
<td>3,482,652</td>
</tr>
<tr>
<td>Substance Abuse</td>
<td>418,271</td>
<td>0</td>
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<tr>
<td>Community Development Support</td>
<td>1,278,358</td>
<td>234,590</td>
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<tr>
<td>Recreation and Sport</td>
<td>279,450</td>
<td>33,248</td>
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<tr>
<td>Law and Justice</td>
<td>4,213,080</td>
<td>59,800</td>
</tr>
<tr>
<td>Housing and Rental Accommodation</td>
<td>9,643,723</td>
<td>5,515,323</td>
</tr>
<tr>
<td>Community Infrastructure</td>
<td>28,251,636</td>
<td>11,048,267</td>
</tr>
<tr>
<td><strong>Heritage And Culture</strong></td>
<td></td>
<td></td>
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<tr>
<td>Heritage Protection</td>
<td>30,000</td>
<td>0</td>
</tr>
<tr>
<td>Art and Culture</td>
<td>397,504</td>
<td>196,040</td>
</tr>
<tr>
<td>Broadcasting and Communications</td>
<td>1,314,812</td>
<td>1,008,960</td>
</tr>
<tr>
<td><strong>Corporate Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Services</td>
<td>60,653</td>
<td>35,200</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>114,356,114</td>
<td>61,274,626</td>
</tr>
</tbody>
</table>

Source: ATSIC Finance Branch Canberra

Apart from the fact that expenditure in the Kimberley region was a significant proportion of ATSIC’s total program expenditure in Western Australia, the payments associated with the CDEP scheme accounted for 41.2 per cent of the total program expenditure in Western Australia, and more than 48 per cent in the Kimberley region. Almost 30 per cent of the total program expenditure in Western Australia of ATSIC was in the form of CDEP wage payments. CDEP wage payments are a different form of social security payments, but are not distinguished as such in ATSIC’s accounts or the Budget-Related Paper Social Justice for Indigenous Australians. These figures illustrate how much of ATSIC’s apparently large spending on Aboriginal programs and services has been inflated by the inclusion of these citizenship entitlement payments (CDEP wage payments).
ATSIC spending in the Kimberley region by ATSIC regional council

Table 45 contains information on ATSIC spending allocated by the Perth State office, the regional offices, and the regional councils. The problem with this form of presentation is that it does not show the allocation of the funding by the State office and the regional offices between each of the regions. For example, the $35.5 million of spending allocated to the Derby-Broome regional office was predominantly comprised of expenditure under the Land Ownership and Administration sub-program ($3.8 million) and the Socio-Economic Development sub-program, which included CDEP wages ($14.2 million), CDEP on-costs ($2.3 million), CDEP support payments ($1.9 million), business funding ($4.2 million), and community planning ($500,600). The funding decisions under these sub-programs were not made by the regional councils.

When these expenditures are re-allocated to each of the regional council areas, a slightly different picture of the geographical distribution of the funds emerges. The importance of the CDEP wage payments in the context of ATSIC’s total program spending is again apparent. The CDEP wage payments accounted for approximately 37 per cent of the spending in the Kimberley region. When the on-costs and support costs of the CDEP program are added to the wages costs, the proportion accounted for by CDEP expenditure rises to approximately 48 per cent for the six regional councils. There is a slight discrepancy between the figures in these two tables and those in Table 46. This is partly because it is difficult to allocate all of the expenditure to each of the regional councils. Further, the latest annual reports of each of the Kimberley regional councils classify some of the expenditure figures differently from the ATSIC Finance Branch in Canberra.

Clearly the Bandaral Ngadu Regional Council, which was elected by Aboriginal people in the Fitzroy Valley area, had a significantly higher level of expenditure than the other regional councils in 1991–92. This is partly explained by the inclusion of a $3 million grant for the purchase of a pastoral lease. Most of the $3.5 million of expenditure under the Business Funding and Enterprise Support Program was for the Coolgardarra Pastoral Project on Noonkanbah Station, the Uulungarra Pastoral Project on Millijiddee Station, and a number of other pastoral projects in the Fitzroy Valley. Expenditure on CDEP is also larger in this regional council than the other areas, with funding for $6.5 million in CDEP wages being allocated in 1991–92.

The relatively high level of spending on Health programs in the Kullarri Regional Council is mainly explained by the funding for the Kimberley Aboriginal Medical Service’s Council which is located in Broome. KAMSC coordinates the activities of the three Aboriginal medical services in the Kimberley region: the Broome Regional Aboriginal Medical Service, the East Kimberley Aboriginal Medical Service in Kununurra, and the Yura Yungi Medical Service Aboriginal Corporation in Halls Creek. ATSIC provides substantial funding to Aboriginal medical services throughout Western Australia. Total funding for the medical services in 1991–92 was
approximately $9 million, 8 per cent of ATSIC’s total program expenditure in Western Australia. This funding included the operating costs of existing Aboriginal medical services, the establishment of a number of new medical services, funding for substance abuse programs and dental services. Total ATSIC funding to the Kimberley Aboriginal medical services and KAMSC in 1991–92 was $2.6 million. The medical services also received funding from a number of other sources, including Medicare rebates from the Commonwealth and funding from the Health Department of Western Australia.

Table 47  ATSIC program spending in the East Kimberley region, by regional council area, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Kutjungka</th>
<th>Wunan</th>
<th>Yarleyel</th>
<th>Bandaral Ngadu</th>
<th>Jayida Buru</th>
<th>Kullarri</th>
<th>($ )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Ownership &amp; Administration</td>
<td>0</td>
<td>0</td>
<td>583,078</td>
<td>3,769,976</td>
<td>0</td>
<td>65,000</td>
<td></td>
</tr>
<tr>
<td>Business Funding &amp; Enterprise</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td>70,950</td>
<td>104,380</td>
<td>329,907</td>
<td>3,529,459</td>
<td>533,597</td>
<td>400,496</td>
<td></td>
</tr>
<tr>
<td>CHIP: Capital(^1)</td>
<td>336,135</td>
<td>434,119</td>
<td>307,000</td>
<td>496,000</td>
<td>928,900</td>
<td>521,150</td>
<td></td>
</tr>
<tr>
<td>CHIP: Other</td>
<td>922,906</td>
<td>1,301,481</td>
<td>830,991</td>
<td>1,739,666</td>
<td>1,775,187</td>
<td>184,174</td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>1,551,459</td>
<td>1,137,400</td>
<td>849,000</td>
<td>1,125,000</td>
<td>1,399,000</td>
<td>650,000</td>
<td></td>
</tr>
<tr>
<td>CDEP: Wages</td>
<td>3,078,567</td>
<td>3,258,401</td>
<td>2,063,596</td>
<td>6,510,726</td>
<td>2,738,058</td>
<td>4,822,181</td>
<td></td>
</tr>
<tr>
<td>CDEP: On-Costs</td>
<td>622,000</td>
<td>712,000</td>
<td>339,375</td>
<td>1,004,000</td>
<td>335,525</td>
<td>910,975</td>
<td></td>
</tr>
<tr>
<td>CDEP: Support</td>
<td>423,200</td>
<td>418,406</td>
<td>273,700</td>
<td>808,175</td>
<td>398,175</td>
<td>694,000</td>
<td></td>
</tr>
<tr>
<td>Broadcasting</td>
<td>17,644</td>
<td>726,467</td>
<td>85,594</td>
<td>72,600</td>
<td>16,800</td>
<td>347,395</td>
<td></td>
</tr>
<tr>
<td>Art and Culture</td>
<td>0</td>
<td>0</td>
<td>196,040</td>
<td>5,395</td>
<td>5,395</td>
<td>6,726</td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>0</td>
<td>314,944</td>
<td>409,178</td>
<td>0</td>
<td>50,005</td>
<td>2,599,175</td>
<td></td>
</tr>
<tr>
<td>Women’s Affairs</td>
<td>17,600</td>
<td>22,400</td>
<td>20,000</td>
<td>0</td>
<td>27,090</td>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td>CDIP*</td>
<td>0</td>
<td>0</td>
<td>930,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,040,461</td>
<td>8,429,998</td>
<td>7,217,459</td>
<td>19,060,997</td>
<td>8,207,732</td>
<td>11,205,272</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\)CHIP is the Community Housing and Infrastructure Program

\(^*\)CDIP is the Community Development Infrastructure Program

Source: ATSIC Regional Council Annual Reports 1991–92; ATSIC Finance Branch, Canberra

KAMSC, along with the Kimberley Land Council, have been funded as multi-regional organisations, and should not really be attributed to only one region. The 1991–92 Annual Report of the Kullarri Regional Council does not separately identify the funding for KAMSC. The expenditure under the Community Housing and Infrastructure Program included grants to the resource centres and other Aboriginal organisations, such as the Kimberley Land Council, for their operational costs, including wages and salaries, fuel, travel and meeting costs.

It should be noted that some other spending by ATSIC which benefits Aboriginal people living in the Kimberley region is not included in these figures. The grants that
ATSIC makes to the WAWA and SECWA are allocated by the Perth State Office of ATSIC. Although some of the spending by WAWA and SECWA is in the Kimberley region, it is not allocated against the budgets of the six regional councils.

ATSIC spending on housing and community infrastructure

ATSIC's national spending on its Community Housing and Infrastructure (CHIP) program in 1991–92 was $168.5 million and $175.4 million in 1992–93. In 1992–93 the expenditure was comprised of $42.2 million for housing, $3.2 million for recurrent projects, and $130 million for community infrastructure. This represented 16 per cent of ATSIC's national program expenditure. The regional councils were responsible for the allocation of $34.6 million of the housing expenditure and $119 million of the community infrastructure expenditure (Commonwealth of Australia 1993b, 163, 168). In the next two years spending will increase as a result of the National Aboriginal Health Strategy, under which an additional $171 million for housing and infrastructure was provided over a five year period (Commonwealth of Australia 1992b, 186–188)). Most of ATSIC's expenditure has been directed towards the funding of Aboriginal housing associations and community councils.

ATSIC has undertaken an analysis of the spending on Community Housing and Infrastructure funds in the period 1987–88 to 1992–93. The calculations exclude spending under the National Aboriginal Health Strategy. The program is disaggregated in two ways: spending on capital or infrastructure, and spending on capital or recurrent purposes.

In the period 1987–88 to 1992–93 the infrastructure component of the program increased relative to spending on housing, and the recurrent component increased relative to the capital component. According to ATSIC, 1992–93 was the first year that the regional councils would control the allocation of the majority of the CHIP funds ($94.4 million), and 43 per cent of the allocation was for recurrent purposes. Another interesting point is that spending on the CHIP program actually declined in the past two years, although to some extent this picture changes if the spending under the National Aboriginal Health Strategy is included. According to one of the Commonwealth budget papers, total Commonwealth spending on Aboriginal housing and community infrastructure (including spending under the Commonwealth-State Housing Agreement and spending by ATSIC) amounted to almost $291 million in 1991–92, about one-quarter of total Commonwealth spending on Aboriginal affairs programs.

ATSIC spending on housing in the Kimberley region in 1991–92 totalled $6.7 million, and the Community Housing Infrastructure Program (Capital) was $3 million. By way of comparison, Homeswest's total expenditure in the region in 1991–92 amounted to $5.3 million, of which $2.7 million was specifically for Aboriginal housing. It is not hard to see that ATSIC's commitment to overcoming the infrastructure backlogs in the communities is significantly greater than that of the Western Australian Government. However, even this commitment is inadequate when
it is compared with the size of the deficiencies. As the figures in Chapter 2 demonstrated, the Australian Construction Services survey estimated that to provide adequate housing to Aboriginal people, and to repair the existing housing stock, would require expenditure in the Kimberley region of $147.1 million. At present levels of expenditure by ATSIC and Homeswest, it will take at least another decade to overcome the existing deficiencies. This takes no account of the deterioration of the existing housing stock and the relatively high rates of population growth amongst the Aboriginal population of the region.

Table 48  ATSIC spending on Community Housing and Infrastructure, 1987–88 to 1992–93

<table>
<thead>
<tr>
<th></th>
<th>Housing</th>
<th>Infrastructure</th>
<th>Capital ($ million)</th>
<th>Recurrent</th>
<th>Total ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991–92</td>
<td>49.417</td>
<td>94.875</td>
<td>99.856</td>
<td>44.436</td>
<td>144.292</td>
</tr>
<tr>
<td>1990–91</td>
<td>53.908</td>
<td>98.575</td>
<td>112.124</td>
<td>40.359</td>
<td>152.483</td>
</tr>
<tr>
<td>1989–90</td>
<td>43.676</td>
<td>93.194</td>
<td>105.141</td>
<td>31.729</td>
<td>136.870</td>
</tr>
<tr>
<td>1988–89</td>
<td>46.097</td>
<td>69.208</td>
<td>90.368</td>
<td>24.937</td>
<td>115.305</td>
</tr>
<tr>
<td>1987–88</td>
<td>44.058</td>
<td>45.239</td>
<td>65.85</td>
<td>23.447</td>
<td>89.297</td>
</tr>
</tbody>
</table>

Source: Aboriginal and Torres Strait Islander Commission (1992c)

Despite the apparently relatively high levels of spending on Aboriginal housing and community infrastructure, there is still a major backlog to address. An increased commitment from the State and Territory governments will be necessary. ATSIC has expressed its concern a number of times about the lack of commitment on the part of some State Governments, notably the Western Australian Government. At a national level ATSIC has attempted to address this problem by negotiating agreements with the State and Territory governments to define the responsibilities and commitments of each level of government, including local government.

New Federalism and the AAAC report

In April 1991 the Australian Aboriginal Affairs Council (AAAC) adopted the report Achieving Greater Coordination of Aboriginal and Torres Strait Islander Programs and Services at its meeting in Alice Springs. This report provided for the negotiation of bilateral Joint Responsibility Agreements between the Commonwealth (ATSIC) and each of the State and Territory governments. The report was endorsed at the Heads of Government meeting in May 1992, despite criticism from a number of Aboriginal organisations and ATSIC Commissioners. It should be noted, however,
that the bilateral agreements were not to be negotiated until the *National Commitment* was endorsed.

The Northern Territory Government was actively involved in the preparation of the AAAC report. This involvement, which necessitated negotiations with ATSIC, was despite the fact that during the previous Northern Territory election the Northern Territory Government had been highly critical of ATSIC and argued that it was a waste of resources. However, it seems that the Chief Minister has changed his mind about ATSIC (Northern Territory Legislative Assembly, 26 November 1992):

> We must also further develop an increasingly productive relationship with ATSIC. The Territory Government argued against the creation of ATSIC at the outset but to deny its existence today or to attempt to minimise its importance — as some within Aboriginal organisations are now doing — would simply work to disadvantage Aboriginal Territorians.

However, some critics of the AAAC report have argued that some of the recommendations of the report will strengthen the role of the State and Territory governments. The AAAC report stated that where full responsibility for a function is assigned to one sphere of government, it would then fully determine program priorities and delivery mechanisms without interference and would be held fully accountable for performance. The report noted that where shared responsibility is the outcome, in addition to their policy interests, the States would generally have the dominant role in managing service delivery. In these cases the principle will be that the Commonwealth’s involvement in the operational management of the program will be reduced to the greatest degree possible consistent with ensuring that national objectives are met (Australian Aboriginal Affairs Council 1991, 2–3).

It may well be that the Northern Territory Government has been the first government to recognise the possibility that the bilateral agreements negotiated with ATSIC, consistent with the above principles, might significantly increase its strategic position in Aboriginal affairs. By controlling the operational aspects of service delivery, with their own funding supplemented by ATSIC funds, the State and Territory governments will undoubtedly have a considerable role in determining the actual implementation of policy. In Aboriginal affairs, perhaps more so than in any other area of government, experience has shown that what the ‘policy’ states and what actually happens in terms of programs and services are often quite different. To suggest that the Northern Territory Government has realised that whatever policy framework it must work within (which would be influenced by the priorities of the ATSIC Regional Councils), its control of spending and operational aspects of service delivery are the key points of control. This may be too cynical a suggestion, but the politicisation of Aboriginal affairs by the Northern Territory Government cannot be overlooked.

The reorganisation of the regional councils is likely to further complicate the issue. For the past two years the regional councils have been preparing regional plans, and even as late as July 1993 some of these plans had not been completed. Following the reorganisation of ATSIC, what is the status of these regional plans? What will be the
‘policy’ framework that will influence the expenditure and service delivery priorities of the State and Territory governments? Will the new regional councils, when they are constituted in the first half of 1994, be required to start the whole regional planning process again?

The Commonwealth Government has been discussing the broad-banding of the Aboriginal Rental Housing component of the CSHA into ATSIC’s Community Housing and Infrastructure program. Federal Cabinet, when it endorsed the AAAC report, decided that the Ministers for Aboriginal and Torres Strait Islander Affairs and Health, Housing and Community Services, should bring forward a submission on how the broad-banding might be achieved. Federal Cabinet subsequently decided to broad-band the CSHA funding through ATSIC. This decision was consistent with one of the recommendations of the Royal Commission into Aboriginal Deaths in Custody. In discussions with the State and Territory governments, one of the issues identified was the lack of policy for the CHIP program, although even when the policy is developed it is likely that there will still be resistance from some State governments to the transfer of the funds to ATSIC. With the new regional councils, how much longer will it take to introduce a regionally-based policy focus?

In June 1993 ATSIC prepared a discussion paper on the Aboriginal Rental Housing Program. The paper supported the establishment of Aboriginal housing authorities in each of the States and Territories. These authorities would be the joint responsibility of ATSIC and the State and Territory governments, and they would include ‘significant representation’ of Aboriginal and Torres Strait Islander people. Negotiations over the establishment of such authorities have commenced with the relevant governments. The paper prepared for the ATSIC Commissioners by the Community Services Branch of ATSIC on this matter (6 September 1993) recommended that the Aboriginal Rental Housing Program be retained under the Commonwealth-State Housing Agreement, but that the Housing Assistance Act be amended, if necessary, so that the CSHA funds will be transferred to ATSIC for distribution through the Aboriginal housing authorities.

The National Commitment

At the same time that these discussions were continuing, ATSIC was involved in the negotiation of the National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders. The final document was endorsed at the first meeting of the Council of Australian Governments in December 1992. The negotiation of the National Commitment did not proceed without difficulty. One of the problems for ATSIC was that some State governments wanted to negotiate the agreements on a government-to-government basis and not with ATSIC. Not surprisingly, some of the other controversial issues included a questioning by the State governments of the character of the funding commitments; attempts by the State governments to weaken their commitment to ATSIC processes, and fully accept their responsibilities; an unwillingness of the State governments to
commit themselves to proposed accountability arrangements; and a desire for as high a degree of flexibility in the tied arrangements on the part of the main service delivery agencies.

It appears that the final document was considerably weaker than ATSIC originally envisaged when it started this process, although much of the wording is similar to the AAAC report. One improvement from the AAAC report is that the National Commitment refers to the ‘preferred role of Aboriginal and Torres Strait Islander organisations in the delivery of programs and services’. However, at the same time it agrees that the ‘discretion and flexibility for the States/Territories and Local Government in service delivery’ will be maximised, and

where it is appropriate to deliver services through government agencies, planning and consultation processes and delivery mechanisms should be adapted to meet the needs of Aboriginal peoples and Torres Strait Islanders and communities in consultation with them (Council of Australian Governments 1992, 7).

Western Australia and the 1973 Aboriginal affairs legislation

The obvious question that arises in relation to the National Commitment and the negotiated bilateral agreements is whether they will make any significant difference to the behaviour of the State and Territory governments. In particular, given the unwillingness of the Western Australian Government to commit much of its own financial resources to the delivery of programs and services to Aboriginal people, will its agreement to the National Commitment change the situation? With the new regional council boundaries, what influence will the regional councils have over the behaviour of the State government?

To answer these questions, it is necessary to examine some aspects of the past twenty years of Commonwealth-Western Australian relations in Aboriginal affairs. Following the referendum in 1967, the Commonwealth assumed responsibility for Aboriginal affairs. This did not mean that the Commonwealth accepted full responsibility for Aboriginal affairs, only that there would be a sharing of the constitutional powers. The Commonwealth passed the Aboriginal Affairs (Arrangements with the States) Act in 1973. According to the Minister for Aboriginal Affairs at the time (Mr Bryant), the legislation was designed to allow the Commonwealth Government to assume:

the ultimate responsibility for Aboriginals and establish a Ministry of Aboriginal Affairs with offices in each State ‘to give the Commonwealth a genuine presence in the States’ (Parliamentary Debates, House of Representatives, 22 August 1973, 223).

Although the Minister noted that the State departments responsible for Aboriginal affairs since the referendum had received an increasingly large part of their funds from the Commonwealth,
The Australian Government does not seek the transfer from the States of particular responsibilities in the fields of health, housing, education and other functional areas, which in its view should preferably be carried by the appropriate Australian or State departments having responsibility in these areas, partly on the basis of continued provision of funds by the Australian Government (Parliamentary Debates, House of Representatives, 22 August 1973, 224).

In April 1974 the Western Australian and Commonwealth Governments entered into an arrangement with respect to Aboriginal Affairs. This agreement enabled the establishment of a State office of the Department of Aboriginal Affairs and the transfer of staff from the Aboriginal Affairs Planning Authority to the Commonwealth. Fletcher has suggested, however, that the agreement:

allowed the state to extract itself from future commitments to provide services to its Aboriginal constituents for the next decade. The essence of the agreement was that the state would serve the commonwealth but the outcome was less clear than this ... the new arrangement not only gave the commonwealth a dual role in state Aboriginal affairs, but perpetuated state inertia in Aboriginal affairs until the 1974 agreement was overtaken by a new intergovernmental agreement in 1986 (Fletcher 1992b, 46).

Certainly at the time the Western Australian Government made it clear that it was willing to accept the proposed changes because: 'the cost of providing adequately for Aboriginal advancement in Western Australia is beyond the resources of the State Government' (Parliamentary Debates, Legislative Assembly, 21 August 1973).

But in a document prepared by AAPA which summarises Commonwealth-State administrative arrangements in Aboriginal affairs, some other points were raised about this period. The Western Australian Government passed the Aboriginal Affairs Planning Authority Amendment Act in December 1973, but in March 1974 the Tonkin Government was defeated by the Country-Liberal Party Coalition under Sir Charles Court. The merger of AAPA into the State branch of the Department of Aboriginal Affairs was delayed:

... while the State sought agreement from the Commonwealth that State rights would be maintained in policy formation and that the AAPA Act would remain the basis for Aboriginal affairs decision-making in WA. This was agreed to and the State Director of Aboriginal Affairs held a separate statutory appointment as commissioner for Aboriginal Planning. A situation that remained in place until 1984 (Aboriginal Affairs Planning Authority 1993, 2).

According to the AAPA document, the Noonkanbah dispute in the Kimberley region in 1980 highlighted the administrative difficulties of the State-Commonwealth merger, since officers were required to implement the policies of both the Commonwealth and State Government which differed to some extent.

The 1986 agreement referred to in the above quote was the Western Australian Aboriginal Local Community Infrastructure Program, which committed both governments to expenditure of $50 million each over a five year period. This program was reformulated and renamed the Aboriginal Communities Development Program in
1987. However, it is not clear that this agreement substantially impacted on the longer term behaviour of Western Australian departments and authorities. The main Western Australian departments and authorities, particularly those responsible for essential services like SECWA and WAWA, refused to commit any significant funding from their own resources, and still relied on funding from the Commonwealth. Some of these authorities claim that their legislation, and the Western Australian Government's emphasis on commercialisation, prevent them from undertaking service delivery in remote Aboriginal communities other than on a contract basis from ATSIC.

During the 1991 Estimates Committee hearings of the Western Australian Legislative Assembly, the Commissioner for Aboriginal Planning (Mr Wyatt), when asked about the respective responsibilities of the State and Commonwealth governments, referred to the Whitlam Government legislation:

Substantial disagreements have occurred between the State Government and the Commonwealth Government about the communities in this State. In 1972 (sic) legislation enshrined an agreement between the then Prime Minister and then Premier of Western Australia, and the administration of many of our communities and reserves was transferred to the Commonwealth ... Essential services such as health, education, social support and housing remain with the State Government agencies ... We have substantial disagreements with the Commonwealth about some of the smaller communities it has created after little consultation with the State. We find it difficult to pick up Commonwealth commitments and will not do so for two reasons: First, we do not have the resources and, second, if the Commonwealth is keen to do that we think it should be paying (Parliamentary Debates, Legislative Assembly, Estimates Committee B, 16 October 1991, 414).

The National Commitment explicitly refers to the 1973 Commonwealth legislation, and states that agreements entered into by New South Wales, South Australia, Victoria and Western Australia with the Commonwealth pursuant to that legislation will be replaced by the National Commitment and any bilateral agreements subsequently negotiated. It will be interesting to see if ATSIC is successful in negotiating agreements which involve an increase in the financial commitment of the Western Australian Government. It will also be very interesting to see whether local government in Western Australia is prepared to accept any responsibility for service delivery to the Aboriginal population in remote areas of the State.

The first Report of the Independent Commission to Review Public Sector Finances in Western Australia proposed a series of changes to the administration of Aboriginal affairs in the State. Essentially, the report argued for further mainstreaming of service delivery, and the establishment by the AAPA of a network of regional resource offices which would provide a single focus for service delivery. The Commission believed that the proposals were consistent with the National Commitment, and should be promoted as a model for the future administration of Aboriginal affairs in the State. The recommendations endorse the Government's overall strategy of undermining ATSIC, and could result in the complete marginalisation of the ATSIC
regional councils. It is not clear how ATSIC will respond to these proposals. However, given ATSIC’s intention to transfer its housing and community infrastructure funding to the State Government, and the increasing role of the shire councils in administering CDEP and some other ATSIC programs, it is quite possible that ATSIC’s central office bureaucracy will work to support the Commission’s proposals. The proposals are very much a logical outcome of the AAAC Report and the National Commitment. It is not at all clear that the proposals would be endorsed by most Aboriginal people living in Western Australia.

Regional councils and the shire councils

The total program spending by ATSIC in the Kimberley region in 1991–92 was $61.2 million. From the information supplied by the ATSIC Finance Branch in Canberra, $8.3 million was allocated by the six regional councils and the remainder was allocated from the Derby-Broome and Kununurra regional offices. A large part of the expenditure of ATSIC is comprised of CDEP payments, which are allocated from the regional offices. However, there is no significant local discretion attached to the allocation of these funds. The size of each payment to a particular community or organisation is primarily determined by the number of participants. The actual number of CDEP schemes in a particular region is determined nationally by the Commissioners within the context of ATSIC’s national budget deliberations.

It is interesting to compare the expenditure of the 4 Kimberley shire councils with the expenditure attributable to the six ATSIC regional councils. The expenditure attributable to the regional councils was almost three times the expenditure of the shire councils. Even when the expenditure on CDEP is removed from the ATSIC expenditure figures, ATSIC expenditure in the Kimberley region was still 50 per cent larger than that of the shire councils. However, if the administration expenditure of ATSIC is included in the figures, then total ATSIC expenditure in the region was $64.7 million. The shire councils expenditure is less than one-third of this amount.

Table 49 Expenditure of Kimberley shire councils and ATSIC regional councils, 1991–92

<table>
<thead>
<tr>
<th>Shire councils</th>
<th>($)</th>
<th>ATSIC regional councils</th>
<th>($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyndham–East Kimberley</td>
<td>8,828,736</td>
<td>Yarleyel</td>
<td>7,217,459</td>
</tr>
<tr>
<td>Halls Creek</td>
<td>2,336,973</td>
<td>Wunan</td>
<td>8,429,998</td>
</tr>
<tr>
<td>Derby–West Kimberley</td>
<td>4,536,459</td>
<td>Kutjungka</td>
<td>7,040,461</td>
</tr>
<tr>
<td>Broome</td>
<td>7,378,461</td>
<td>Bandaral Ngadu</td>
<td>19,060,997</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Jayida Buru</td>
<td>8,207,732</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Kullari</td>
<td>11,205,272</td>
</tr>
<tr>
<td>TOTAL</td>
<td>23,080,629</td>
<td>TOTAL</td>
<td>61,161,919</td>
</tr>
</tbody>
</table>

Source: ATSIC Finance Branch; Shire council financial statements
Aboriginal Hostels Ltd

Within the Commonwealth Aboriginal Affairs portfolio another important organisation is Aboriginal Hostels Ltd. Aboriginal Hostels Ltd provides temporary accommodation to Aboriginal people through a network of 158 hostels. The hostels are either operated directly or through grants to other organisations. Total funding for the company was $30.7 million in 1991–92, of which $26 million was derived from ATSIC, almost $3 million was from tariff income, $34,000 from DEET and $584,000 from the Department of Health, Housing and Community Services (Aboriginal Hostels Ltd 1992, 12). Of the company’s total spending of $28.3 million in 1991–92, $6.4 million was in the form of payments for community support hostels. In 1990 the company claimed to be the largest single employer of Aboriginal people in Australia, with 92 per cent of its 458 employees being Aboriginal and Torres Strait Islander people (Aboriginal Hostels Ltd 1990, 7).

In Western Australia Aboriginal Hostels Ltd operates four transient hostels, one of which is in Derby. The Derby hostel was opened in the 1986–87 financial year. Total expenditure on the hostel in 1991–92 was $389,400. In addition, 13 organisations which provided transient, aged care, substance abuse rehabilitation and secondary student accommodation services were funded in Western Australia in 1991–92. In Broome the Goolarabooloo Aboriginal Corporation, which operates a small hostel, and Milliya Rumurra Association Inc which provides alcohol rehabilitation services, received grants from Aboriginal Hostels Ltd of $267,272 in 1991–92. AHL has also approved funding for part of the operating costs of the Waringarri Alcohol Project, which will be located in the Marralum community 90 kilometres north-east of Kununurra.

Conclusion

With expenditure of more than $831 million in 1992–93, and projected expenditure of $951 million in 1993–94, the Aboriginal and Torres Strait Islander Commission and its related agencies are responsible for a significant proportion of the Aboriginal-specific spending of all governments. This is particularly the case in the Kimberley region, and it is likely to be the case in many other regions of Australia.

Internally, ATSIC is experiencing considerable administrative difficulties, primarily because of the spread of its programs, high staff turnover, and the inevitable tensions between the elected regional councils and Commissioners and the public service employees of ATSIC. The reorganisation of the regional council boundaries in mid-1993 seems to have compounded some of these difficulties. There is also considerable tension over the distribution of ATSIC funding, both between the States and Territories, and within each State and Territory. This tension is to be expected, given the socio-economic difficulties being experienced by many Aboriginal people, the relatively limited financial resources available to ATSIC (particularly when
expenditure on CDEP is excluded), and the often widely divergent perceptions of priorities of Aboriginal people at the local, regional, State and Territory, and national levels.

ATSIC undoubtedly faces a number of challenges in coming years. Accountability for the expenditure of a large amount of Commonwealth funds is becoming even more important, even though many people in regional and remote Australia are bewildered by ATSIC's present accountability standards and performance requirements. The appropriate involvement of the State and Territory governments in service delivery is likely to be a major focus of ATSIC's attention, as the debates about the AAAC Report and the National commitment have demonstrated. There are some signs that parts of ATSIC's administration are prepared to hand considerable responsibility for program and service delivery to State, Territory and local governments. Even though the financial appropriations to ATSIC have increased substantially in recent years, it could be that the momentum generated by the 1967 referendum for greater Commonwealth involvement in Aboriginal affairs might begin to be reversed.

**Summary**

ATSIC spending in Western Australia, and the Kimberley region in particular, is very substantial. In 1991–92 program expenditure by ATSIC in Western Australia was $114.3 million, and administration expenditure of $8.1 million. In the Kimberley region the program expenditure was $61.3 million and administration expenditure was $3.5 million.

A significant proportion of ATSIC spending should more properly be characterised as citizenship entitlements because of the importance of the CDEP scheme. Expenditure on CDEP accounted for about 48 per cent of total ATSIC spending in the Kimberley region in 1991–92. Payments of CDEP wages amounted to $22.6 million.

No other government department or authority for which information has been obtained is responsible for larger expenditure in the Kimberley region than ATSIC.

Program expenditure by ATSIC was almost three times the total expenditure of the four shire councils ($23 million) in 1991–92. Even when CDEP expenditure is removed from the ATSIC figures, program expenditure of ATSIC was 50 per cent larger than that of the shire councils.

The Kimberley region benefits from a higher level of per capita funding by ATSIC than other areas of the State. This is partly explained by the high uptake of CDEP in the region, the range and number of Aboriginal organisations, and the deficiencies in service delivery by the State Government and the shire councils. The range and quality of services that are available in the major urban
Aboriginal people in the economy of the Kimberley region

areas are either not available in the Kimberley region, or are very expensive. It is obvious that higher levels of spending by ATSIC are necessary to overcome some of these deficiencies.

ATSIC has attempted to overcome these service delivery deficiencies by negotiating the National Commitment. In Western Australia the agreement replaces the Aboriginal Affairs (Arrangements with the States) Act of 1973. Bilateral agreements with each of the State and Territory governments will be negotiated. These will define the responsibilities of each sphere of government and funding commitments. It is not clear how such arrangements will work under the new Court Government in Western Australia.

The relatively high level of funding to this region has at times been criticised by Aboriginal people in other parts of Western Australia. On a number of socio-economic criteria, Aboriginal people in the Kimberley region are disadvantaged relative to other areas, although these types of comparisons are fraught with many difficulties.

There is a national debate occurring within ATSIC about the distribution of funds between the regional councils. There is no guarantee that the existing relatively high levels of per capita funding for the Kimberley region will continue for much longer.
CHAPTER 10

OTHER COMMONWEALTH SPENDING IN THE KIMBERLEY REGION

Introduction

The Aboriginal and Torres Strait Islander Commission is responsible for the major part of Commonwealth direct spending in the Kimberley region. As has been pointed out in previous chapters, a considerable amount of the Western Australian Government and shire council spending in the region is financed by Commonwealth general revenue assistance or specific purpose payments from the Commonwealth. However, a number of other Commonwealth departments and agencies are responsible for the delivery of services in the region, and the funding of programs for Aboriginal people in the region. The information in this chapter does not include details for all of the expenditure by Commonwealth departments and authorities in the region, and administration costs are not included.

The Independent Commission to Review Public Sector Finances estimated that of the $221.7 million of Aboriginal-specific spending by the Commonwealth Government in 1992–93, $51.4 million was accounted for by the Department of Employment, Education and Training and the Department of Health, Housing, Local Government and Community Services. Expenditure by ATSIC accounted for the remainder (Independent Commission to Review Public Sector Finances 1993, 269). Expenditure by other Commonwealth departments and authorities was not estimated by the Commission, primarily because the expenditure by these departments and authorities, particularly the Department of Social Security, is to a large extent not Aboriginal-specific.

Department of Social Security

The spending by the Department of Social Security (DSS) is an important component of the incomes of many Aboriginal people throughout Australia. Indeed, with total program spending by the Department of $28.6 billion in 1991–92, it is obvious that a very large number of Australians are in receipt of some form of social security payments. At the end of June 1992 these people included 1.5 million aged pensioners (expenditure of $9.92 billion), 487,346 recipients of invalid pensions and disability support pensions ($3.58 billion), 52,239 recipients of sickness allowances ($444.8 million), 771,352 recipients of Job Search and Newstart Allowances ($6.73 billion) and more than 1.9 million recipients of Family Allowance payments ($2.33 billion) (Department of Social Security 1992).
It is important to note that the Department’s spending is available to all Australian citizens who are eligible to receive certain types of benefits. The payments received by Aboriginal people are citizenship entitlements, not because the Department funds Aboriginal-specific programs or payments. The Department does assist Aboriginal people to access its programs and services, through the Aboriginal and Torres Strait Islander Services Section in Canberra, the employment of Aboriginal and Torres Strait Islander liaison officers, and the Support Network for Aboriginal and Torres Strait Islander Parents. The Community Agent Program provides funds to Aboriginal organisations or councils in remote areas to employ people to assist with social security matters.

Data on the number of beneficiaries are compiled by the Department by postcode. The figures in Table 50 therefore include people who are serviced by a particular postcode area. They may not actually be living in the town of Fitzroy Crossing or Halls Creek, for example, but on pastoral stations or other land in the area. Since Aboriginal people are entitled to the same social security entitlements as other Australians, the data compiled by the Department do not generally distinguish between Aboriginal and non-Aboriginal benefit recipients. The number of recipients of the various types of social security payments in the Kimberley region, and Western Australia as a whole, is shown Table 50. Of the 522,099 recipients of social security payments in Western Australia as at June 1992, 8,629, or 1.65 per cent of the recipients were living in the Kimberley region. Almost half of these people were in receipt of Family Allowance and Family Allowance Supplement payments.

One point to note about these figures is the impact of the CDEP scheme in the Kimberley region on the number of people receiving Job Start and Newstart Allowances. If they were living in Perth, many of the Aboriginal people would normally be in receipt of Job Start and Newstart Allowances (unemployment benefits); since they are in the Kimberley region they are much more likely to be receiving CDEP wages.

Calculating the actual money payments to these social security recipients is quite complicated. Some of the payment numbers are reasonably stable during the year, such as pensions, but payments such as Job Search Allowance and Newstart Allowance are highly variable. There are also different rates for some of the payments, depending on whether the payments are to single people or married couples. Some of the payments are affected by assets tests and income tests. Some of the payments, such as the Family Allowances, are dependent on the number of children in a family. The Department of Social Security itself does not publish data on its spending in regions as small, in population terms, as the Kimberley. For Western Australia as a whole social security payments amounted to $2,752 million in 1991–92 (Department of Social Security 1992, 299–346). Based on the figures in Table 50, with 1.65 per cent of the social security beneficiaries in the Kimberley region, spending in the region by the Department would be approximately $45 million in 1991–92. Some unpublished, and tentative estimates have been provided by the Department, based on the rates of payment as at October 1992. Given the changes in
some of the rates of benefit payments in the period June to October 1992, the estimates suggest that a figure of $45–50 million would be a reasonable approximation for DSS spending on benefits in 1991–92.

Table 50 Number of social security benefit recipients, by type of benefit, Kimberley region and Western Australia, June 1992

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Broome</th>
<th>Derby³</th>
<th>Wyndham</th>
<th>Kununurra</th>
<th>Fitzroy Crossing</th>
<th>Halls Creek</th>
<th>Western Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged</td>
<td>231</td>
<td>216</td>
<td>56</td>
<td>137</td>
<td>136</td>
<td>101</td>
<td>115,220</td>
</tr>
<tr>
<td>Disability Support</td>
<td>258</td>
<td>166</td>
<td>44</td>
<td>127</td>
<td>70</td>
<td>92</td>
<td>36,834</td>
</tr>
<tr>
<td>Wife Carer</td>
<td>74</td>
<td>53</td>
<td>12</td>
<td>38</td>
<td>34</td>
<td>22</td>
<td>13,606</td>
</tr>
<tr>
<td>Sole Parent</td>
<td>297</td>
<td>131</td>
<td>78</td>
<td>140</td>
<td>77</td>
<td>84</td>
<td>28,874</td>
</tr>
<tr>
<td>Widow B/Widowed</td>
<td>24</td>
<td>17</td>
<td>9</td>
<td>5</td>
<td>10</td>
<td>5</td>
<td>5,838</td>
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<tr>
<td>Person Allowance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JSA/NSA¹</td>
<td>722</td>
<td>280</td>
<td>74</td>
<td>283</td>
<td>31</td>
<td>96</td>
<td>79,021</td>
</tr>
<tr>
<td>Sickness Allowance</td>
<td>36</td>
<td>9</td>
<td>4</td>
<td>12</td>
<td>3</td>
<td>4</td>
<td>3,832</td>
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<tr>
<td>Special Benefit</td>
<td>25</td>
<td>26</td>
<td>6</td>
<td>32</td>
<td>8</td>
<td>10</td>
<td>2,965</td>
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<tr>
<td>Family Allowance</td>
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<td>311</td>
<td>663</td>
<td>361</td>
<td>342</td>
<td>191,080</td>
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<tr>
<td>FA Supplement²</td>
<td>186</td>
<td>100</td>
<td>64</td>
<td>111</td>
<td>167</td>
<td>84</td>
<td>24,829</td>
</tr>
</tbody>
</table>

1. JSA/NSA: Job Search Allowance and Newstart Allowance
2. FA Supplement: Family Allowance Supplement
3. Figures for Derby include a small number of recipients of Sole Parent Pensions, JSA/NSA payments and Family Allowance payments from Koolan Island and Yampi Sound

Source: Department of Social Security. 1992 Clients by Postcodes

There is no easy way of calculating the proportion of these payments that were made to Aboriginal people. According to the 1991 Census data, approximately 45 per cent of the population of the Kimberley region was comprised of Aboriginal people. However, evidence from the Department of Social Security in the Northern Territory suggests that Aboriginal people comprise a disproportionately large share of the client base of the Department. It would probably not be unreasonable to expect that Aboriginal people would be at least half, but probably closer to 60 per cent, of the clients of the Department in the Kimberley region. A higher figure could possibly be used, although it is likely that the number of Aboriginal people receiving CDEP wage payments would reduce their dependence on Job Search and Newstart Allowance payments from the Department. If a figure of 60 per cent is used, this suggests that about $30 million was paid to Aboriginal people by way of social security entitlements in the Kimberley region in 1991–92.

The figures for CDEP wage payments are included in Table 51 to enable an assessment of the impact of the CDEP scheme on the level of social security
payments in the Kimberley region. The grants for wage payments by ATSIC to the 22 CDEP communities in the West Kimberley region and the 16 communities in the East Kimberley region in 1991–92 amounted to $22.6 million. If the CDEP scheme did not exist, then presumably the payments of unemployment benefits (Job Search Allowance and Newstart Allowance) by the Department of Social Security would have been increased by this amount. In the absence of the CDEP scheme, the Department of Social Security's total payments in the region would be in excess of $70 million annually.

Table 51 Estimated Department of Social Security entitlements expenditure in the Kimberley region, October 1992, and CDEP wage payments, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Kununurra office</th>
<th>Broome office</th>
<th>Total ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>17.73</td>
<td>33.70</td>
<td>51.43</td>
</tr>
<tr>
<td>ATSIC – CDEP wages</td>
<td>8.40</td>
<td>14.22</td>
<td>22.61</td>
</tr>
</tbody>
</table>

Note: CDEP wage payments in the West Kimberley allocated from the Derby–Broome regional office.

Source: Department of Social Security, unpublished data; ATSIC Finance Branch, Canberra.

In terms of the economic impact of these payments, there is one important point that should be noted. Whereas many of the other industries in the region are affected by seasonal factors, the payments by DSS and ATSIC for CDEP wages are relatively stable during the year. Tourists may provide a short-term boost to Broome or Kununurra at certain times of the year, but at the base of the economy of the region are the stable income support payments from the Commonwealth Government. These payments have an important stabilising influence on economic activity in the Kimberley region.

Department of Employment, Education and Training

The Department of Employment, Education and Training is responsible for a wide, some would say, very confusing, range of programs. Total national expenditure by the Department in 1991–92 was $9,808 million, of which $2,596 million was on schools, $3,921 million was on higher education, and $1,523 million on education assistance and income support (including AUSTUDY and ABSTUDY) (Department of Employment, Education and Training 1991, 2). Expenditure on Aboriginal employment programs in 1991–92 was $96.5 million and on Aboriginal education $94.6 million. Included in the expenditure on Aboriginal education was expenditure
Other Commonwealth spending in the Kimberley region

of $66.1 million on the Aboriginal Education Strategic Initiatives Program (AESIP) and $21.4 million for the Aboriginal Tutorial Assistance Scheme. Expenditure on the Aboriginal Student Support and Awareness Program (ASSPA) was $13.5 million, of which $9.9 million was included in the AESIP allocation (Department of Employment, Education and Training 1992, 119).

DEET is responsible for the administration of the Newstart program which replaced the payments of unemployment benefits on 1 July 1991. Even as late as March 1992 the ATSIC Commissioners were advised on some problems with the administration of Newstart in remote Aboriginal communities in the Northern Territory (submission from Economic Initiatives Branch, 17 March 1992).

The Department has established an Aboriginal Direct Assistance program, and this includes the Aboriginal Student Support and Awareness Program (ASSPA), the Aboriginal Tutorial Assistance Scheme (ATAS), and the Vocational and Educational Guidance for Aboriginals Scheme (VEGAS). ASSPA is designed to assist school-based parent committees increase the participation and attendance rates of Aboriginal students, and to help schools to respond better to the needs of Aboriginal students. ATAS funds individual tutorial contracts and homework centres to increase the participation and performance of Aboriginal students. VEGAS encourages activities to help Aboriginal students to ‘make informed education and career choice’ (Department of Employment, Education and Training 1992, 118). From information supplied by DEET, expenditure on these three programs was the largest single item of the Department’s Aboriginal-specific expenditure in the Kimberley region in 1992–93. Total expenditure was $1,475,740 (personal correspondence 14 July 1993).

Eight independent schools were funded by DEET in 1991–92 and 1992–93. Funding to these schools was also provided by the Aboriginal Independent Community Schools Unit, part of the Association of Independent Schools of Western Australia. Total funding for the schools and the Association in 1991–92 was $1.9 million and $2.2 million in 1993.

The majority of the Aboriginal ‘independent schools’ are in Western Australia, with the largest concentration in the Pilbara and Fitzroy Crossing areas. The first of the independent schools in Western Australia is run by the Nomads Charitable and Educational Foundation at Strelley, and provides pre-primary, primary and secondary education. These types of schools are becoming even more important as the Aboriginal population of the area decentralises even further. However, the Royal Commission into Aboriginal Deaths in Custody highlighted the funding difficulties of such schools. While the Western Australian Government’s Strategic Plan for Aboriginal education identifies the funding needs of these schools as a priority, it simply states that the unmet capital needs of the schools and adequate funding for new schools will be addressed by the following statement: ‘DEET is requested to
acknowledge the priority of Aboriginal Independent Community Schools in Western Australia and to assist in identifying funding options’ (Ministry of Education 1992b, 10).

The Kulkarriya Community School is located on the Noonkanbah pastoral lease, and has approximately 111 students who attend school in three different locations: Noonkanbah, Warrimbah and Millijidee. It offers registered pre-school through to secondary classes. The Yiyili Community School is located on Louisa Downs pastoral lease, east of Fitzroy Crossing. Two of the independent schools in the Kimberley region received $376,580 of DEET recurrent funding in 1991–92, about one-quarter of the funding for the independent schools in Western Australia. The funding for four of the schools in the Kimberley region increased to $452,480 in 1992–93 (Department of Employment, Education and Training, personal correspondence 14 July 1993).

According to the audited financial statements obtained from the 87 Kimberley Aboriginal organisations and communities, DEET grants to 30 of the organisations amounted to $1.3 million in 1991–92. This represented 2.1 per cent of the total income of the Kimberley Aboriginal organisations for which data was obtained. Most of the funding was for various types of training programs. However, the administrative responsibility for the Training for Aboriginals Program was transferred from DEET to ATSIC in 1992–93, following the completion of a review of TAP by former Royal Commissioner Elliott Johnston in November 1991. However, according to an unpublished Monthly Report by the Western Australian State Manager (6 July 1992) DEET had already committed most of the Community Training funding for 1992–93 ‘without consultation with Regional councils’. Further, according to the State Manager:

There is also concern about the future relationship with DEET on the demarcation of program matters, joint trips, partnership arrangements and the future of AEDP [Aboriginal Employment Development Policy], with a need to define and/or clarify positions. DEET do not appear to see themselves having anything to do with Aboriginal communities.

Department of Health, Housing and Community Services

This Department is responsible for a range of very important Commonwealth programs, including the administration of Medicare and the Pharmaceutical Benefits Scheme, the Commonwealth-State Housing Agreement, the Home and Community Care Program, and the Royal Flying Doctor Service. It is a very large Department, and the spending by this Department and the Department of Social Security account for approximately half of the Commonwealth Government’s total expenditure. Payments under the Health Insurance Act 1973 for Medical benefits are the largest single item of expenditure by the Department, and amounted to $4,544 million in 1991–92. Expenditure on the Pharmaceutical Benefits Scheme totalled $1,250 million, and Commonwealth-State Housing Agreement payments to the States and Territories under the Housing Assistance Act 1989 amounted to $1,028 million in
1991–92. Other large items of expenditure in 1991–92 included Nursing Home Benefits ($1,649 million) and Hospital Funding Grants ($3,784 million), and the Home and Community Care program ($315.8 million) (Department of Health, Housing and Community Services 1992, 69–77).

More than 40 per cent of the Commonwealth Government’s $1,628 million of specific purpose payments to the Western Australian Government is for programs and services that are the responsibility of the Department of Health, Housing and Community Services. Hospital funding grants ($337 million), payments under the Commonwealth-State Housing Agreement ($103.6 million) and Nursing Home benefits ($147.9 million) are the major items. The Department also spent $366 million on Medicare benefits in Western Australia in 1991–92 (Department of Health, Housing and Community Services 1992, Statistical Supplement). Medicare rebates received by the three Aboriginal medical services in the Kimberley region from the Department in 1991–92 amounted to $388,043, almost one-quarter of the income of these medical services.

Detailed information on the Department’s own programs and services, or those funded by the Department, is included in the unpublished Regional Plan prepared by the Broome office of the Department. Some of the points included in the Plan were that there are more hospital beds per capita in the Kimberley region (10.71 per 1,000 of population) compared with the average for Western Australia as a whole (1.17); the rate of utilisation of Medicare is much lower in the Kimberley region (1.65 services per capita) compared with the Western Australia average (7.36), mainly because of the pattern of servicing of remote Aboriginal communities, the impact of the Royal Flying Doctor Service and the higher rate of hospital out-patient treatment; there is a chronic lack of specialists in the region; the lack of nursing home care for aged people is a very important issue; there is a shortage of services for people with disabilities; only women escaping domestic violence have crisis accommodation available to them (35 beds); ten emergency relief outlets were funded in the region in 1991–92 at a total cost of $63,000; housing is a major problem, with massive overcrowding, poor quality housing and inappropriately designed houses.

All of the 58 nursing home beds are located in the Numbala Nunga Derby Nursing Home and Hospital. Numbala Nunga was established in 1967 when the Council for Aborigines and Overseas Missions began to develop an institution primarily for the ‘care of elderly natives’ (Health Department of Western Australia 1993b, 1). The nursing home had a staff of 75 people in 1991–92. According to the home’s Annual Report 1991–92, more than 35 per cent of the residents of the home live more than 250 kilometres from Derby. Total revenue of the nursing home in 1991–92 was $3.1 million, of which $701,641 was in the form of subsidies from the Department of Health, Housing and Community Development, and $460,811 was from patient fees (Health Department of Western Australia 1993b).

There are also a number of hostels in the Kimberley region, and all were designed to cater for Aboriginal people. These include the Guwardi Ngadu hostel in Fitzroy.
Aboriginal people in the economy of the Kimberley region

Crossing (13 places), Germanus Kent hostel in Broome (10 places), Wyndham hostel (6 places), Walumba hostel in Warmun (Turkey Creek) (4 places), the Halls Creek hostel (7 places), and the Derby hostel (7 places).

The Department’s Plan noted that there is an increasing demand for aged services to be provided in communities or in people’s homes, and that the Home and Community Care program (HACC) can play an important role.

The flexibility of HACC services makes them an important option in addressing the needs of aged Aboriginals in remote areas who are hesitant to leave their homes and families to access services (Department of Health, Housing and Community Services 1993, 13).

HACC is a jointly-funded Commonwealth-State program, which funds services to frail aged and younger disabled people. HACC services provide nursing home, home help, transport services, home maintenance, delivered meals and respite care. Total spending by the Commonwealth on the program was $315.4 million in 1991–92, and a further $34.8 million was spent on Home and Community Care Allowances. Total expenditure on the program, when the matching expenditure of the State and Territory governments ($205.3 million) is included, was $521.1 million in 1991–92 (Department of Health, Housing and Community Services 1992).

Funding to the State and Territory governments under the program by the Commonwealth Government is made through specific purpose payments from the Health portfolio. In 1991–92 Commonwealth payments to the States and Territories for the HACC program amounted to $315.4 million, and expenditure rose to $341.8 million in 1992–93 (Commonwealth of Australia, Budget Paper No 3, 1993–94). Expenditure on Aboriginal and Torres Strait Islanders under the program was $5.91 million in 1991–92, of which expenditure on Aboriginal people in Western Australia accounted for $1.2 million, which was exceeded only by spending in New South Wales ($1.8 million).

It has been estimated that about 97,000 people in Western Australia comprise the target population for the HACC program, although only 44 per cent of this group are actually assisted (Health Department of Western Australia 1992, 44). The Health Department of Western Australia received $30.1 million of the Commonwealth funding for HACC in 1991–92, as part of its total specific purpose grants from the Commonwealth Government of $392 million. It is not entirely clear from the accounts of the Health Department what the total spending on the program was, although spending by the Department on ‘Community Care’ was $50.5 million in 1991–92 (Health Department of Western Australia 1992, 108). This would appear to be the correct figure, since the ratio of Commonwealth to State funding under the program is approximately 3:2.

Total funding of HACC services in the Kimberley region in 1990–91 was $690,558. Total funding in the ‘rural areas’ of Western Australia under the program in 1990–91
was approximately $5 million. It is clear that despite the high demand for HACC services, only a small proportion of the HACC spending was allocated to organisations in the Kimberley region.

The provision of telecommunications services

The provision of telecommunications to remote Aboriginal communities has been a very important part of the overall provision of infrastructure to these communities. In many communities a high priority has been given to the installation of telecommunications facilities. In recognition of the growing demand for telecommunications services from remote Aboriginal communities throughout Australia, and the necessity of developing integrated long-term plans for the introduction of the service, Telecom commissioned a number of studies of the telecommunications requirements of remote Aboriginal communities during the 1980s. On the basis of the data in these studies, Telecom developed a comprehensive and integrated policy towards the provision of telecommunications services to these communities.

In November 1984 Telecom introduced the Rural and Remote Areas Program, which was intended to extend services to previously unserviced remote areas; convert manual exchanges services to automatic; and replace all part privately erected lines with fully Telecom provided and maintained plant and equipment. An important part of this Program was the provision of services to remote Aboriginal communities. The Program was expected to cost $500 million, and was to have been completed in 1992. Over 44,500 new services have been installed under the Program. In addition to this capital expenditure are the ongoing operating and maintenance costs.

However, once the Program was underway, Telecom found that the number of Aboriginal communities that required services was far greater than it had anticipated. This was partly because of the rapid growth of outstations, particularly in the Northern Territory and Western Australia. It was also because of under-estimates of demand due to the ready acceptance by Aboriginal communities of telephone services. It has been estimated that in June 1992 the number of telecommunications services provided to remote Aboriginal communities exceeded by almost 70 per cent the estimated number of services scheduled for completed in the year 2000. In 1980 demand was estimated at 1,500 services by the year 2000; by 1992 2,500 services had already been provided (Australian Telecommunications Authority 1992, 29).

Telecom has also developed a comprehensive policy for remote community pay telephones, which have both-way access. That is, calls can be made and received. This was designed to overcome problems with the installation of telephones in houses, and to overcome the problem of payment for large telephone accounts. Virtually the only private telephones in many Aboriginal communities are in the houses of non-Aboriginal people, such as teachers, police and nurses. Research undertaken for Telecom showed that less than 10 per cent of households in Aboriginal communities

245
have a telephone service, compared with 94 per cent for the total Australian population (quoted in Australian Telecommunications Authority 1992, 32).

One very important feature of the Program, in contrast to the policies of many of the State and Territory governments, is that Telecom did not discriminate against smaller communities because of their relatively small populations. As one of Telecom's consultants pointed out:

Where priorities have to be established between small communities, physical access considerations should apply. Physically very remote communities should be accorded a higher priority than communities with reasonable access to major centre or resource centre telecommunications services. Community population alone is not a useful service eligibility criterion. Very small communities can be highly stable and well developed (Bliss Research 1987, 19).

The success of the Program can be illustrated from the result of the Australian Construction Services survey of housing and community infrastructure. Although the survey showed considerable problems with housing, roads and other community infrastructure, very few communities were not already connected to the national telephone network. Of the 326 communities surveyed, 284 were connected to the national telephone network, and 61,157 people lived in communities with a working public telephone. However, about 2,600 people were living in communities not connected to the national network. In the Kimberley region, of the 31 communities surveyed, 5,126 people were living in communities with a working public telephone, and less than 100 people were living in communities not connected to the national network (Australian Construction Services 1992a, 1992b).

In 1991–92 Telecom expenditure in the Kimberley region was approximately $1 million in 16 communities, and was estimated to be $3 million in 1992–93 in 20 communities (personal correspondence 8 March 1993). However, these figures would significantly understate the investment by Telecom in the communications network of the region during the past decade.

Summary

Although a number of Commonwealth departments and agencies undertake expenditure in the region, the most important direct contributor to economic activity in the region is the Department of Social Security. Total benefits expenditure by the Department in 1991–92 in the Kimberley region was estimated to be $51.4 million.

Funding for CDEP wages in 1991–92 was $22.6 million. If this figure were added to the DSS figure, total income support expenditure in the region in 1991–92 was at least $70 million.
There is no easy method of calculating the proportion of the benefit payments attributable to Aboriginal people. Taking account of the experience in the Northern Territory and the uptake of CDEP in the Kimberley region, Aboriginal people could account for approximately 60 per cent of these benefit payments.

Expenditure by the Department of Employment, Education and Training was primarily on the Aboriginal Direct Assistance Program, the independent schools, and training and employment grants to Aboriginal organisations. Total Aboriginal-specific expenditure in 1991–92 in the Kimberley region was estimated to be approximately $3.2 million.

The Department of Health, Housing and Community Development is responsible for expenditure on a range of programs and services that affect people living in the Kimberley region. This includes expenditure on housing, Medicare, pharmaceutical benefits, nursing homes, the Home and Community Care program, and the Royal Flying Doctor Service. The majority of the expenditure, however, is in the form of specific purpose payments to the Western Australian Government.

Telecom’s expenditure in the region on Aboriginal communities was approximately $1 million in 1991–92, but this understates Telecom’s investment in the infrastructure of the region during the past decade.

The other large Commonwealth departments, such as Health, Housing and Community Services, have a significant indirect impact on the region because of the funding provided to the State Government for housing, health and education, and for the Royal Flying Doctor Service.
CHAPTER 11

THE ABORIGINAL ORGANISATION SECTOR OF THE KIMBERLEY REGION

Introduction

Previous chapters have examined details of expenditure by ATSIC, other Commonwealth departments and authorities, and the Western Australian Government in Western Australia generally, and in the Kimberley region in particular. This chapter is concerned with the income and expenditure of 82 separate Aboriginal organisations and communities in the Kimberley region. The intention of the analysis is to demonstrate the range of funding utilised by the organisations, and their pattern of spending. It also enables a comparison of the income and expenditure of some of the large Aboriginal organisations with other organisations, including the shire councils, in the region.

The Aboriginal organisations

The Executive Director of the Kimberley Land Council wrote to a range of Aboriginal organisations on 10 November 1992, outlining the terms of reference of the research project, and requesting their participation in the project. A number of letters to other Aboriginal organisations were subsequently prepared. In the first instance, the participation of the organisations was limited to the provision of audited financial statements for the financial year 1991–92. Subsequently, 87 sets of audited financial statements from Aboriginal organisations and Aboriginal-owned companies in the Kimberley region were collected and examined. These financial statements were for 82 separate Aboriginal organisations and communities. The reason for the difference in the figures is that one set of accounts was a trust account and not a separate Aboriginal organisation (Kununurra Waringarri Aboriginal Communities Development Programme Trust Account) and six sets of accounts were for Aboriginal communities on pastoral leases and their associated cattle company: Kadjina Community Incorporated and the Uulyungarra Pastoral Project on Millijidee Station; Yungngora Association Incorporated and the Coolgardarra Pastoral Project on Noonkanbah Station; and Bidyadanga Aboriginal Community La Grange Incorporated and the Quimbeena Pastoral Company Pty Ltd.

Wherever possible the researchers made direct contact with representatives of the Aboriginal organisations. The researchers visited many of the organisations, and in many cases were able to meet with the executives or councils of these organisations to explain the nature of the research, its broad objectives, and to seek their views on the
most appropriate directions of the research. Each of the ATSIC regional councils was approached, and the researchers were able to attend a number of meetings of the regional councils. One of the Commissioners from the Kimberley region was also briefed on the project. ATSIC staff from the regional offices were contacted, and the researchers attended a number of workshops to speak to the staff about the research and its potential benefits for ATSIC, both nationally and in the Kimberley region. In some cases, because of the wet season, the more remote and, at times, inaccessible communities could not be visited. A number of the financial statements were obtained from the Registrar of Aboriginal Corporations in Canberra (which is to undergo a name change in 1993–94 to become the Australian Indigenous Corporations Commission).

The names of the Aboriginal organisations and Aboriginal-owned companies for which data are included in this book, and the regional council in which they were located prior to the reorganisation of the regional council boundaries in May 1993, are included in Appendix 1. The financial statements which were obtained include the overwhelming majority of the main Aboriginal organisations and communities in the Kimberley region. However, the accounts of a small number of organisations with relatively large income and expenditure were not able to be obtained. However, since ATSIC provided a full computer print-out of its expenditure in Western Australia, a comprehensive picture of ATSIC expenditure has been able to be obtained. Unfortunately, the expenditure figures for these organisations have not been collected.

It is clear that Aboriginal people in the Kimberley region have been able to establish a wide range of Aboriginal organisations, primarily on the basis of Commonwealth Government funding. Many of these organisations already provide a wide range of services to the Aboriginal population of the region. In part this has been by deliberate choice. The delivery of services by an Aboriginal organisation has been explicitly designed to overcome the problems of mainstreaming. In other cases, communities have had no choice but to utilise the services of an Aboriginal organisation because governments have refused to accept their service delivery responsibilities.

Some of these Aboriginal organisations are very large, both in terms of income and employment, and many encompass a diverse range of activities. This was obvious from the financial statements of some of the larger organisations. Eleven of the organisations were responsible for more than $2 million of expenditure in 1991–92, and of these 3 were responsible for more than $3 million of expenditure. For example, Kununurra-Waringarri Aboriginal Corporation, with a staff of more than 30 people, provides services to approximately 30 member groups, including outstations; operates commercial businesses (Mayaroong Constructions and Waringarri Aboriginal Arts); has established the Mirima Dawang Woorlab Gerring language section in conjunction with Mirima Council in Kununurra; operates a radio station which obtained a public radio license in 1993; and runs a nursery (Kununurra-Waringarri Aboriginal Corporation 1992).

The ability of these organisations to provide a comprehensive range of services to the Aboriginal communities is impressive when account is taken of the complexities of
the social, political and financial environment in which they are operating. This is not to suggest that every organisation has always been free of difficulties. But when discussions about the future financial, political and other arrangements for the region are raised, in one respect Aboriginal people will not be starting from a position of weakness. The existing organisations are already a major source of strength for the Aboriginal population of the region. One of the key questions for Aboriginal people will be how to strengthen and expand the existing organisational base.

**Income of the Aboriginal organisations**

Tables 52 and 53 show the total income of the Aboriginal organisations for which financial statements were obtained in the Kimberley region in 1991–92. Included in the total income figure is income received by each of the organisations only during the financial year 1991–92. The figures do not include grants received by the organisation in previous financial years but which were not expended during those particular years. For example, if an organisation received a grant from ATSIC in 1990–91, but did not expend some or all of the grant in 1990–91, and subsequently carried some or all of the grant over into the financial year 1991–92, this was not counted as income in the financial year 1991–92. In the financial statements of most of the organisations the figure for grants not wholly or partially spent in previous years are recorded as ‘unexpended grants’. The size of these unexpended grants is also reflected in the ‘cash at bank’ figures, which for these organisations amounted to $14.9 million as at 30 June 1992.

This accounting practice results in some mismatching between the income and expenditure figures for each organisation, and across the Kimberley region when the figures are aggregated. Because not all of the grants or income received by the organisations are spent during that particular financial year, some or all of the funds can be carried over into the following financial years. Hence an organisation may spend in any particular financial year more or less than its total income. Where expenditure is greater than income, this is primarily because of the unexpended grants from previous years.

The total income of the 82 Kimberley Aboriginal organisations in 1991–92 amounted to $62.9 million, of which 80 per cent was derived from ATSIC grants ($49.8 million), and 83 per cent was derived from all Commonwealth sources. Total non-government income, including interest, enterprise income (including sales of cattle), amounted to $6.4 million, 10.2 per cent of total income. Approximately 30 per cent of this Other Income figure was accounted for by the income from a housing and construction business operated by one of the Aboriginal organisations. Although the figure for income from State Government sources was reasonably substantial ($4.4 million), $1.2 million was accounted for by payments to three Aboriginal organisations associated with restructuring of the EXIM pastoral leases in the Fitzroy Valley region.
Table 52 Income of Aboriginal organisations, by type of income and ATSIC regional council, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Kutjunka</th>
<th>Bandaral</th>
<th>Yarleyel</th>
<th>Jayida Buru</th>
<th>Wunan</th>
<th>Kullarri</th>
<th>Total Kimberley region</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMIC</td>
<td>$6,864,772</td>
<td>$14,199,151</td>
<td>$6,394,487</td>
<td>$4,565,247</td>
<td>$7,452,600</td>
<td>$10,349,224</td>
<td>$49,825,481</td>
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<td>DEET</td>
<td>$428</td>
<td>$408,966</td>
<td>$63,085</td>
<td>$197,453</td>
<td>$296,199</td>
<td>$327,017</td>
<td>$1,293,148</td>
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<tr>
<td>Other Commonwealth</td>
<td>$5,136</td>
<td>$61,068</td>
<td>$250,491</td>
<td>$70,512</td>
<td>$188,187</td>
<td>$368,800</td>
<td>$944,194</td>
</tr>
<tr>
<td>AAPA</td>
<td>$15,000</td>
<td>$275,600</td>
<td>$220,000</td>
<td>$258,306</td>
<td>$502,100</td>
<td>$87,530</td>
<td>$1,358,536</td>
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<tr>
<td>Other State</td>
<td>$14,012</td>
<td>$1,369,461</td>
<td>$348,950</td>
<td>$186,648</td>
<td>$444,088</td>
<td>$685,490</td>
<td>$3,048,649</td>
</tr>
<tr>
<td>Interest</td>
<td>$66,657</td>
<td>$171,205</td>
<td>$122,720</td>
<td>$48,032</td>
<td>$124,454</td>
<td>$111,954</td>
<td>$645,022</td>
</tr>
<tr>
<td>Other income</td>
<td>$85,718</td>
<td>$917,882</td>
<td>$592,552</td>
<td>$155,079</td>
<td>$2,966,144</td>
<td>$1,044,041</td>
<td>$5,791,416</td>
</tr>
<tr>
<td>Total income</td>
<td>$7,051,723</td>
<td>$17,403,333</td>
<td>$7,992,285</td>
<td>$5,481,277</td>
<td>$12,003,772</td>
<td>$12,974,056</td>
<td>$62,906,446</td>
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<tr>
<td>Community contributions</td>
<td>$2,007,369</td>
<td>$2,131,303</td>
<td>$739,968</td>
<td>$351,686</td>
<td>$665,099</td>
<td>$3,384,907</td>
<td>$9,280,332</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>$2,949,993</td>
<td>$3,219,587</td>
<td>$2,890,782</td>
<td>$2,583,207</td>
<td>$1,278,939</td>
<td>$1,979,145</td>
<td>$14,901,653</td>
</tr>
</tbody>
</table>

Source: Audited financial statements of Aboriginal organisations
Table 53  Expenditure of Aboriginal organisations by type of expenditure and ATSIC regional council, 1991–92

<table>
<thead>
<tr>
<th></th>
<th>Kutjunka</th>
<th>Bandaral</th>
<th>Yarleyel</th>
<th>Jayida Buru</th>
<th>Wunan</th>
<th>Kularri</th>
<th>Total Kimberley region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Wages and allowances</td>
<td>3,499,449</td>
<td>8,055,831</td>
<td>3,634,728</td>
<td>2,487,809</td>
<td>5,207,468</td>
<td>7,318,536</td>
<td>30,203,821</td>
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<tr>
<td>Building repairs &amp;</td>
<td>359,306</td>
<td>488,239</td>
<td>154,698</td>
<td>125,187</td>
<td>216,282</td>
<td>322,471</td>
<td>1,666,183</td>
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<tr>
<td>maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle running costs</td>
<td>153,628</td>
<td>488,960</td>
<td>264,094</td>
<td>139,598</td>
<td>281,405</td>
<td>415,171</td>
<td>1,742,856</td>
</tr>
<tr>
<td>Vehicle purchases</td>
<td>307,288</td>
<td>1,473,929</td>
<td>616,308</td>
<td>278,421</td>
<td>495,453</td>
<td>488,327</td>
<td>3,659,726</td>
</tr>
<tr>
<td>Other capital expenditure</td>
<td>458,076</td>
<td>2,896,908</td>
<td>1,934,037</td>
<td>919,066</td>
<td>1,230,187</td>
<td>1,542,046</td>
<td>8,980,320</td>
</tr>
<tr>
<td>Travel</td>
<td>123,719</td>
<td>202,635</td>
<td>99,197</td>
<td>99,711</td>
<td>305,010</td>
<td>156,959</td>
<td>986,667</td>
</tr>
<tr>
<td>Fuel</td>
<td>515,845</td>
<td>612,214</td>
<td>367,697</td>
<td>181,621</td>
<td>573,176</td>
<td>949,191</td>
<td>3,199,744</td>
</tr>
<tr>
<td>Audits &amp; accounting</td>
<td>86,047</td>
<td>226,874</td>
<td>105,705</td>
<td>114,098</td>
<td>152,149</td>
<td>140,639</td>
<td>825,512</td>
</tr>
<tr>
<td>Insurance</td>
<td>84,358</td>
<td>130,711</td>
<td>80,032</td>
<td>42,339</td>
<td>105,245</td>
<td>116,807</td>
<td>559,492</td>
</tr>
<tr>
<td>Postage &amp; telephone</td>
<td>69,148</td>
<td>81,731</td>
<td>74,014</td>
<td>58,115</td>
<td>101,828</td>
<td>168,579</td>
<td>553,415</td>
</tr>
<tr>
<td>Water &amp; electricity</td>
<td>0</td>
<td>93,357</td>
<td>48,798</td>
<td>29,204</td>
<td>159,248</td>
<td>35,966</td>
<td>366,573</td>
</tr>
<tr>
<td>Rates</td>
<td>45,006</td>
<td>30,715</td>
<td>22,349</td>
<td>60,594</td>
<td>56,112</td>
<td>37,039</td>
<td>251,815</td>
</tr>
<tr>
<td>Taxes</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>23,156</td>
<td>23,156</td>
</tr>
<tr>
<td>Bank charges</td>
<td>12,662</td>
<td>21,210</td>
<td>17,488</td>
<td>18,149</td>
<td>24,097</td>
<td>26,785</td>
<td>120,391</td>
</tr>
<tr>
<td>Other expenditure</td>
<td>1,161,108</td>
<td>2,560,436</td>
<td>991,925</td>
<td>449,991</td>
<td>3,986,439</td>
<td>3,991,765</td>
<td>13,141,664</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>6,875,640</td>
<td>17,363,750</td>
<td>8,411,070</td>
<td>5,003,903</td>
<td>12,894,099</td>
<td>15,732,873</td>
<td>66,281,335</td>
</tr>
</tbody>
</table>

Source: Audited Financial Statements of Aboriginal Organisations
The Aboriginal organisation sector of the Kimberley region

It should be noted that the Other Income figure does not include income (sales) of the community stores, community workshops and garages, and housing rentals paid by Aboriginal people to the Aboriginal organisations. This income is recorded in the figures as 'Community Contributions', and amounted to $9.3 million in 1991–92. A number of the organisations operate community stores, but clearly the overwhelming majority of their sales are to community members. As such, the income of the stores or the workshops and garages is on the whole not a net addition to the funds available in the community. Where sales from the store, community workshop or garage were obviously to non-community members, this figure was recorded in Other Income.

In fact, the income generated by the community stores, garages and workshops is indirectly reflected in the Other Expenditure figures. For example, Aboriginal and other people living in a community receive income in the form of wages and salaries, social security payments or CDEP wage payments, and much of their income is then spent in the community store. The purchases of goods for the community store are recorded in the accounts of the Aboriginal organisation which manages or owns the store as various types of expenditure (classified here as Other Expenditure). The income of the store by way of sales is largely already recorded as income to the Aboriginal organisation in the community (grants for wages and salaries, CDEP payments), and the expenditure of the store on purchasing goods is recorded as Other Expenditure. To include store sales as income would be, in most cases, and to a large extent, double-counting the income of the organisation or community.

Since the audited financial statements for all of the Aboriginal organisations in the Kimberley region were not obtained, the Total Income figure recorded in Table 53 understates the total income of all Aboriginal organisations in the region. There is no simple way of estimating the total income of all of the organisations. However, it is likely that ATSIC's contribution will be at least as substantial as it is for the 82 organisations for which financial data was obtained.

From the information presented in Chapter 9, total ATSIC program spending in the Kimberley region in 1991–92 was $61.2 million. The income from ATSIC grants for the 82 organisations was recorded as $49.8 million. Included in ATSIC's total expenditure were three grants of $3.8 million for the purchase of pastoral stations. The financial statements of the three Aboriginal organisations for which the grants were allocated by ATSIC did not record these grants as income. If this figure is excluded from ATSIC's total grants figure, since the money was paid to the owners of the pastoral leases, ATSIC's total grants to Aboriginal organisations in the Kimberley region in 1991–92 amounted to approximately $57.4 million. If ATSIC grants are assumed to account for 80 per cent of the total income of the Aboriginal organisations in the Kimberley region, then the total income of all Aboriginal organisations in the region was at least $72 million in 1991–92.

Clearly as the figures in Tables 52 and 53 and Chapter 9 demonstrated, the income of the ATSIC Bandaral Ngadu Regional Council, based on the Fitzroy Valley region, was considerably in excess of the income of the other regional councils. Part of the reason for this has previously been explained. Another reason for the relatively high
figure is the coverage of Aboriginal organisations in the region that was able to be achieved by the researchers. This was largely because of the cooperation of the region’s main resource centre, Marra Worra Worra Aboriginal Corporation, which was able to provide copies of the financial statements for the Aboriginal communities it serviced in the region. Marra Worra Worra, which is the oldest and largest resource centre in the Kimberley region, provides services, including accounting and bookkeeping services, to a considerable range of Aboriginal organisations and communities in the Fitzroy Valley. According to a document (unpublished) prepared by Marra Worra Worra to summarise its history, background and other information:

The Bandaral Ngadu Regional Council boundaries were designed to coincide with the area centred on Fitzroy Crossing and serviced by Marra Worra Worra. By local consensus a ticket of Councillors was selected that reflected an appropriate balance of communities, language groups, elders and younger leaders, men and women. The Marra Worra Worra Executive was reconstituted to consist of the same group as the eleven member Regional Council. This arrangement has emphasised Marra Worra Worra’s role as a regional representative and coordinating body without diminishing the Regional Council, or sowing the seeds of conflict between the two. It has also seen Marra Worra Worra take on an important role in servicing and providing information to the Regional Councillors/Executive members.

Whether the relative success of Marra Worra Worra in attracting funds for the communities in the region will be maintained now that the Bandaral Ngadu Regional Council has been amalgamated with the Jayida Buru Regional Council based around Derby, remains to be seen. However, funding allocations for the years to 1994–95 have generally already been decided, and the base of funding for the Fitzroy Valley region is likely to be maintained because of the widespread introduction of CDEP into the region.

Expenditure of the Aboriginal organisations

Total Expenditure by the 82 Aboriginal organisations in 1991–92 was $66.3 million. This is somewhat higher than the Total Income of these organisations of $62.9 million, which mainly reflects the additional expenditure during 1991–92 of income received in previous years.

By far the largest component of the expenditure of the organisations was on wages and salaries. Total spending on wages and salaries in 1991–92 was $30.2 million, or 45.6 per cent of total expenditure. This figure includes wages, salaries and allowances received by the employees of the Aboriginal organisations, and payments by these organisations to consultants. The largest component of the spending, however, was comprised of CDEP wage payments by the Aboriginal organisations to participants in
the CDEP schemes in the Kimberley region. According to the information in Table 46, ATSIC's total grants for CDEP wages in the Kimberley region in 1991–92 were $22.6 million.

Accurate data on the number of participants in the CDEP schemes in the Kimberley region are difficult to obtain. Part of the reason for this is the deficiencies in the administration of the scheme, which have been highlighted numerous times by the Auditor-General, Parliamentary committees and academic researchers. Although the Department of Social Security operates within a legislative framework for the payment of social security benefits, the CDEP scheme is an ATSIC program which to a large extent relies on data on participants that is not particularly systematically collected. There is no legislative protection of the rights and interests of the participants. Based on the national statistics for the scheme, however, there are approximately 2,500 participants in the Kimberley region, of whom 1,500 would be classified as workers. Average payments to each participant in 1991–92 in the region were approximately $8,800 (about $170 per week).

It is interesting to compare the wage and salary payments of the Aboriginal organisations with some of the other large service delivery organisations in the region. The total expenditure on wages, salaries and allowances of the four Kimberley shire councils in 1991–92 was $6.38 million, and expenditure on wages and salaries in the six hospitals in the Kimberley region was $17.82 million. The comparison between the figures for the Aboriginal organisations and the shire councils and the hospitals is not exact because of the different methods of preparing the accounts. Aboriginal organisations, because they are incorporated bodies, are expected to comply with Australian Accounting Concepts, Australian Accounting Standards and the provisions of the Aboriginal Councils and Association Act. Shire councils, on the other hand, are expected to comply with the statutory requirements of the Local Government Act and the Local Government Accounting Directions. The accounts of the hospitals are prepared in accordance with the Western Australian Financial Administration and Audit Act 1985. However, the figures are broadly comparable, and enable a comparison of the spending by each type of organisation.

Another significant area of expenditure by the Aboriginal organisations was classified as Other Capital Expenditure. This category includes expenditure on the construction of housing, other buildings, bores, tanks, fencing and other equipment for the Aboriginal-owned pastoral stations, and a variety of other capital equipment. Total Other Capital Expenditure by the organisations in 1991–92 was $8.97 million, which represented 13.5 per cent of total expenditure. A further $1.7 million of expenditure was for repairs and maintenance to housing and buildings. Total expenditure on community housing and infrastructure amounted to $10.6 million, 16 per cent of total expenditure.

Vehicle purchases were also an important area of expenditure for the organisations. The vehicles purchased included cars, tractors, and trucks, and also included vehicles purchased for use on the Aboriginal-owned cattle stations. Total expenditure on vehicle purchases in 1991–92 was $3.7 million. It is well known that a number of the
Toyota dealerships in the region are heavily dependent on purchases by Aboriginal organisations, or other organisations providing services to the Aboriginal population. A similar degree of dependence was demonstrated in central Australia (Crough, Howitt & Pritchard 1989), and a number of the major Aboriginal organisations in Alice Springs subsequently negotiated the purchase of a 50 per cent equity interest in the Toyota and Mitsubishi dealership in Alice Springs and Tennant Creek, with the assistance of the Aboriginal and Torres Strait Islander Commercial Development Corporation (ATSICDC).

Expenditure of vehicle running costs, repairs and maintenance was $1.7 million. Expenditure associated with motor vehicles accounted for 8.2 per cent of the total expenditure of the Aboriginal organisations. Unfortunately, the recording of the figures for vehicle running costs, repairs and maintenance was not consistent across all of the organisations. For some organisations the figures include expenditure on vehicle running costs such as fuel. For other organisations vehicle fuel is a separate category of expenditure. Some organisations do not separately account for insurance premiums on the vehicles, while others include this as a separate category of expenditure.

Fuel was a significant item of expenditure, and total expenditure in 1991–92 was calculated at $3.2 million. Included in this expenditure item is fuel purchased for power stations in Aboriginal communities, pastoral stations, and fuel for vehicles. The problem with this figure is that the financial statements for some of the organisations include fuel costs in motor vehicle running costs, and often fuel is not separately identified. However, detailed information on fuel purchases was supplied by Marra Worra Worra Aboriginal Corporation to the researchers. This information covered the fuel purchases of Marra Worra Worra Aboriginal Corporation and 11 other Aboriginal organisations in the Fitzroy Valley region. Total fuel purchases for power-houses in 1991–92 were $563,273, and for motor vehicles $620,777. Total expenditure on fuel by the 12 organisations was $1.2 million, which can be compared with the total expenditure figure for the 12 organisation derived from the audited financial statements of only $471,744. If the corrected figure is added to the fuel expenditure figures for all of the organisations in the Kimberley region, total expenditure on fuel was $3.9 million, 6.4 per cent of total expenditure.

Some of the expenditure on services of the organisations was also quite substantial. Although the Aboriginal organisations received $645,022 in interest in 1991–92, the expenditure on bank charges was $120,391. The expenditure on accounting, bookkeeping and auditing services was $825,512. For a large number of organisations the bulk of their expenditure on these services was accounted for by the cost of auditing. In some respects, this expenditure can be seen as one of the costs of accountability. Grants, for even the smallest of outstation groups, can only be made to incorporated bodies. These groups must therefore set up an incorporated body to receive government funding. If an incorporated body receives government funding, it must prepare a set of audited financial statements. All of these procedures cost considerable amounts of time and money. This has been part of the reason that quite a
The Aboriginal organisation sector of the Kimberley region

number of smaller Aboriginal outstation communities prefer to have their financial affairs handled by one of the resource centres, so that separate sets of financial statements do not need to be prepared. In some cases the resource centre charges a service fee to the community concerned.

The accountants, most of which are Perth-based, which certified the accounts of the organisations, and the number of sets of financial statements which they audited, are listed below.

KPMG Peat Marwick (Perth) 35 Page Kirk & Jennings (Perth) 2
RN Richards (Ravensthorpe) 13 Foley & Associates (Perth) 2
Lotz Ferrier (Sydney) 11 Shakespeare & Co (Perth) 2
King and Oh (Perth) 8 Hall Chadwick (Perth) 2
Arthur Andersen (Perth) 6 Lyons Tate Olde &
Grande Accounting (Broome) 5 Waddell (Broome) 1

Because of the capital assets of the Aboriginal organisations, particularly vehicles, insurance is an important component of expenditure. Further, because of the considerable number of people employed by the organisations, workers' compensation insurance, as well as public liability insurance, is required. In 1991–92 expenditure on insurance premiums by the Aboriginal organisations amounted to $559,492. The companies which provided these insurance services included insurance broker Minet Australia Ltd WA, Lumley General Insurance WA, Australian Marine Underwriters, Switzerland Insurance WA, AMP Fire and General Insurance, FAI Insurance. However, a number of these companies have subsequently withdrawn their insurance cover of the Aboriginal organisations. The possibilities of joint purchasing of insurance, to reduce insurance premium costs and to improve service, could possibly be pursued by some of the larger Aboriginal organisations. It is interesting that the Western Australian Municipal Association has already established Municipal Insurance Broking Service (MIBS) to provide services to the shire councils. Part of the reason for the establishment of MIBS was 'ensure the commercial bargaining power of local government' when the SGIO is privatised.

Insurance is a prime example where there are gains to be made by Councils through joint purchasing, and this has been recognised by local government in other states of Australia also. Local Government Associations in South Australia, Victoria and New South Wales all have joint ventures with Jardines, to the benefit of Councils in those States (Minutes, Finance and Services Committee, Shire of Derby—West Kimberley, 21 June 1993, 10).

The other main category of expenditure is classified as Other Expenditure. This includes a wide range of expenditure, such as the purchase of goods for community stores, stationary supplies, farm and cattle station supplies (including cattle purchases), mustering costs, freight, bad debts, funeral expenses and subscriptions. Depreciation provisions, which are often substantial in some organisations with large fleets of vehicles, have not been included in the Other Expenditure category.
Taxation payments by Aboriginal people and Aboriginal organisations

The figure for taxation payments included in the expenditure figures for the organisations of $23,156 might suggest that very little by way of taxation is paid by Aboriginal people and Aboriginal organisations in the Kimberley region. This particular figure would tend to reinforce the general stereotype of Aboriginal people as passive recipients of ‘taxpayer’s dollars’ who do not contribute to any significant extent to taxation revenue. This is a very important issue, and has already been the subject of some preliminary research (Crough & Pritchard 1991).

The problem with analysing the accounts of the Aboriginal organisations is that payments of income taxation by employees of the organisation, by CDEP workers, and other forms of indirect taxation are generally not separately identified. In some cases, where an organisation pays rates to the shire council, or pastoral rates and pastoral lease rentals to the Western Australian Government, these have been separately identified. Total expenditure on rates in 1991–92 was $251,815. However, since nearly all of the organisations are exempt from income taxation under section 23 of the Income Tax Assessment Act, and sales tax, no company income taxation payments are recorded in their financial statements.

However, some additional data was provided by 16 Aboriginal organisations, including the major resource centres and the Kimberley Land Council. Pay-as-you-earn (PAYE) income taxation payments by employees of the organisations and for two organisations, the CDEP employees, amounted to $913,109 in 1991–92. When this is added to the payments of rates and other taxation, the total expenditure was $1.2 million, almost 2 per cent of the total expenditure of the Aboriginal organisations. This figure, however, significantly understates the income taxation payments since the payments of taxation by most of the CDEP employees in the region have not been included.

Who benefits from the spending by Aboriginal organisations?

Clearly the spending by the Aboriginal organisations and Aboriginal people is a significant component of the economy of the Kimberley region. The detailed economic impacts of this expenditure cannot be calculated, in a formal economic sense, since data are not available for regions which are as small, in economic and population terms, as the Kimberley region. It is very difficult to obtain data that would enable input-output type analyses to be undertaken. Certainly for the State as a whole such analyses can be undertaken, but such analyses have little meaning when applied to small regional economies. Indeed, even the census data are limited, and appear to be subject to a number of anomalies and inaccuracies.

It is possible, however, to obtain a picture of where the Aboriginal organisations spend some of their grants and other income. The accounts of many of the
organisations list the names of creditors, and many of the non-Aboriginal businesses in the Kimberley region are listed. The names of 173 businesses which provided services and products to some of the Kimberley Aboriginal organisations in 1991–92 are included as Appendix 2. Most of these businesses are locally-owned and operated, but a number are national companies such as Telecom Australia, the Commonwealth Bank, TNT Transport and CIG. The expenditure by the Aboriginal organisations on services provided by Telecom and Australia Post, for example, amounted to $553,415 in 1991–92. Similarly, spending on airline travel, which was included in the overall travel expenditure figure of $986,667, would have provided considerable business to Ansett Australia, which operates services to the main towns in the region, and the smaller air charter companies.

One industry which benefits from spending by Aboriginal people is the taxi industry, particularly in areas where there is no other form of public transport. The actual level of spending is almost impossible to quantify since it is primarily undertaken by individual Aboriginal people. Commissioner Dodson discussed the importance of taxis to Aboriginal people in his report for the Royal Commission into Aboriginal Deaths in Custody, and even referred to the ‘taxi economy’ (Dodson 1991, 693–699). From Commissioner Dodson’s consultations throughout the State, the issue was clearly a matter of considerable concern to many people, including community health workers. A number of times during the consultations the apparent disregard for Aboriginal community alcohol rules by taxi drivers was raised, and efforts to deal with the problem were regarded as a ‘conspicuous failure’. This issue has subsequently been raised in the Western Australian Legislative Council, which suggests that the problem is as serious as ever. Perhaps as an indication of how seriously the Government regards this issue, the Minister who responded to the concerns spent the entire time talking about whether the Department of Transport was responsible for the Taxi Control Board (Parliamentary Debates, 4 August 1993, 1817–8).

There is a view held by many Aboriginal people in the Kimberley region that the economy of the region is largely dependent on spending by Aboriginal people and Aboriginal organisations. It is difficult to provide an exact estimate of the extent to which this is true. This is partly because of the difficulties of measuring the total size of the Kimberley region’s economy, and the total income or expenditure attributable to Aboriginal people. There are inconsistencies in the data and other data are not available. One measure of the overall economy of the Kimberley region, Gross Domestic Product, was calculated by the Western Australian Government, and was summarised in Table 11. However, without substantial qualification, it is not appropriate to compare the income, or expenditure of Aboriginal people and organisations with what is essentially a value added figure for the main industries of the region.

In estimating the total income or expenditure attributable to Aboriginal people, there are some points that need to be taken into account. Not all of the expenditure attributable to Aboriginal people is actually at the discretion of Aboriginal people. For
example, while the Health Department of Western Australia's expenditure in the region in 1991–92 was more than $35 million, and Aboriginal people account for more than 80 per cent of the beds occupied in the hospitals, the expenditure by the Department is not Aboriginal-specific. The programs and services funded by the expenditure are certainly not under the control of Aboriginal people. Most of the programs and services provided were not, in any real sense, designed primarily with the interests of servicing Aboriginal people as the main priority. Similarly, Aboriginal people comprise a large proportion of the clients of the Department for Community Development, but again would be somewhat misleading to classify this expenditure as Aboriginal-specific spending.

There are, however, two main categories of expenditure which are to a significant degree under the control of individual Aboriginal people, and Aboriginal organisations. Spending by the Department of Social Security on citizenship entitlements directly benefits individual Aboriginal people. The spending of this money is determined by the priorities of the recipients. The expenditure by ATSIC, which is the largest single component of expenditure for the benefit of Aboriginal people in the region, is determined by priorities that are, formally at least, determined by Aboriginal people. The elected Commissioners and regional councillors are in a position to influence the expenditure priorities of ATSIC. Further, a significant component of the ATSIC spending is on CDEP wages, which are similar to social security entitlements in that the patterns of expenditure of these payments are determined by the CDEP workers. There is also the expenditure on wages and allowances by Aboriginal organisations in the region.

If the CDEP wage payments in the Kimberley region ($22.5 million in 1991–92) are added to the payments of social security benefits estimated to be made to Aboriginal people (approximately $30 million), then the total payments to individual Aboriginal people, as individuals, were approximately $53 million. To the CDEP wages can be added the wages and allowances paid by the Aboriginal organisations. If this figure is included ($30.2 million), instead of just the CDEP wage payments, the total payments to individual Aboriginal people could be at least $60 million.

Even though a comparison with Gross Domestic Product is not possible without some adjustments to the figures, the expenditure on social security payments, CDEP wages and the wages, salary and allowances costs of ATSIC and the Aboriginal organisations could be made with retail sales in the Kimberley region. It can be assumed that the bulk of the social security payments, CDEP wage payments and wages and salaries paid to employees of the Aboriginal organisations, are spent in the shops and businesses in the region. A recent figure for turnover of retail establishments for the Kimberley region is not available, although a figure for Western Australia is published. Total turnover of retail establishments in Western Australia in 1991–92 was valued at $9,236 million (Australian Bureau of Statistics, Western Australia, Monthly Summary of Statistics, Catalogue No 1305.5). If the Kimberley population represents approximately 1.8 per cent of the Western Australian population, then this would suggest the turnover of retail establishments in
the Kimberley region was approximately $166 million in 1991–92. The payments of social security benefits to Aboriginal people, CDEP wages, and wages and salaries paid by Aboriginal organisations of $60 million represented well over one-third of the turnover of retail establishments in the region.

An alternative measure is to approximate the total spending by government departments and authorities that can be attributed to Aboriginal people. This would mean, for example, including an estimate of the expenditure by the Health Department of Western Australia that is attributable to the use of the Department’s services by Aboriginal people. Total spending by the Department in the Kimberley region in 1991–92 was $35.8 million, and it is likely that about 80 per cent of this expenditure is attributable to Aboriginal people. This estimate is based on the published hospital utilisation rates for the region. This would therefore suggest that about $28 million of the Department’s expenditure in the region can be attributed to Aboriginal people.

The Ministry of Education’s total spending in the region in 1991–92 was $25.2 million. From the data in Table 35, the spending on schools where Aboriginal children would comprise most, if not all, of the students, was $4.5 million. The Ministry also estimated that spending on the Aboriginal Program was $3 million. For the schools in the main towns, estimating the Aboriginal student population is more difficult. Estimating the number of Aboriginal students in government schools is also complicated by the fact that Aboriginal children also attend the Catholic schools in some of the main towns. In the age group 0–17, Aboriginal children comprised 55 per cent, but given the lower rates of attendance at school, it could be expected that Aboriginal children would represent a lower proportion of the school population in the region. On this basis, it could be assumed that approximately $10 million of the Ministry’s spending in the Kimberley region could be attributable to Aboriginal children.

Similar calculations, where specific information is not available, have been undertaken for the other departments and authorities for which data is available. In practice, the most of the government expenditure on programs and services which benefit Aboriginal people in the region is undertaken by ATSIC ($65 million), the Department of Social Security ($30 million), the Health Department of Western Australia ($28 million), the Ministry of Education ($10 million), DEET ($3.2 million), the Department for Community Development ($3.5 million) and the AAPA ($1.6 million). The four shire councils were responsible for expenditure of $21.2 million in 1991–92, but very little of this expenditure is on the provision of direct services to Aboriginal people. If the expenditure attributable to Aboriginal people by the main departments and authorities is combined, the total spending was at least $140 million in 1991–92. This is likely to be an underestimate of the government expenditure attributable to Aboriginal people. However, not all of the expenditure attributable to Aboriginal people necessarily benefits Aboriginal people, since the priorities of much of the spending are not determined by Aboriginal people.
To obtain an approximate idea of the relative size of the spending attributable to Aboriginal people, this figure can be compared with the income generated by other economic activities in the Kimberley region included in Chapter 3. With the exception of the diamond mining activity in the region, the value of production or turnover of none of the other industries exceeded the spending by ATSIC in the Kimberley region in 1991–92. These figures may surprise many people who have continued to believe, as a pamphlet produced by the former Department of State Development suggested, that the economy of the Kimberley is “based on agriculture, fishing, horticulture, mining and the pastoral and tourism industries”. Although these industries do generate considerable income and economic activity, in fact it is government spending, and particularly Commonwealth government spending on Aboriginal programs and services, which is the key component of the economy of the region. If the value of production of the Argyle diamond mine is excluded from estimates of the regional economy, then spending attributable to Aboriginal people in the Kimberley region represented at least 40 per cent of the income in the regional economy in 1991–92.

Another indicator of the importance of government spending on Aboriginal programs and services is reflected in the statistics for construction activity in the region. Construction was the third largest industry in the Kimberley region in 1990–91, as measured by Gross Domestic Product (see Table 11). Total expenditure on Aboriginal housing and community infrastructure (capital) in the Kimberley region by ATSIC and Homeswest in 1991–92 was $12.4 million. Unfortunately, the Australian Bureau of Statistics does not publish figures on the value of all building activity in the region. Statistics on residential and non-residential building approvals are compiled, and for the Kimberley region in 1991–92 these were valued at $20.4 million (Australian Bureau of Statistics 1992c). The statistics for building activity only include details of the value of non-residential buildings completed and under construction. These were valued at $17.8 million for 1991–92 (Australian Bureau of Statistics 1992d). These figures, however, would suggest that expenditure on Aboriginal housing and community infrastructure accounted for at least half of the building activity in the Kimberley region in 1991–92. As a result, the economic activity generated by the construction industry, most notably in terms of employment, is significantly affected by spending on Aboriginal housing and community infrastructure.

Conclusion

In Chapter 3 the concept of ‘welfare dependence’ was discussed. Aboriginal people are continually blamed for being welfare dependent, and many Aboriginal people themselves speak of their desire to become economically self sufficient. The information presented in this book certainly demonstrates a high level of dependence on government funding of Aboriginal people and Aboriginal organisations in the Kimberley region. However, it is questionable whether this means that Aboriginal people are automatically to be classified as welfare dependent. If Aboriginal people are welfare dependent, then so too is much of the non-Aboriginal population of the region.
Much of the spending by government departments on programs and services for Aboriginal people is spending on citizenship entitlements. That is, spending on programs and services that every Australian citizen would expect from the various levels of government. There is no substantive difference between a shire council being funded by local government grants to deliver local government services, and an Aboriginal resource centre receiving government grants to deliver services to remote communities. If one is to be characterised as welfare dependent, then both would need to be described in this way. The Western Australian Government receives substantial funding from the Commonwealth Government to deliver programs and services within the State. The Western Australian Government is not economically self sufficient, and it is highly unlikely that it would ever want to put itself in that situation. What is the difference between the Western Australian Government receiving Commonwealth funding to provide education and health services, and Aboriginal controlled schools and medical services receiving Commonwealth funding to provide similar types of services?

Much of the funding received by Aboriginal organisations in the Kimberley region is to provide local government-type services, and other citizenship-type services, to Aboriginal people living in the region. One of the most important reasons for the relatively high levels of funding to Aboriginal organisations in the region is because the Western Australian Government and the shire councils have to a large extent abdicated their responsibilities to the Aboriginal population of the region. Many Aboriginal people would prefer to establish and run their own organisations, in preference to utilising mainstream services. In parts of the Kimberley region Aboriginal people have no choice but to provide their own services because the State and local governments will not provide services.

The economic impact of the government spending in the Kimberley region is substantial, although difficult to measure accurately. Much of the government spending in the region, notably the Commonwealth Government spending, is because of the high proportion of people in the region who are Aboriginal people. This government spending is the base of the economy, and it is an important stabilising factor for regional economic activity. Were funding for Aboriginal programs and services to be reduced, as some have argued, the effect in the region would be felt very broadly, particularly by the businesses in the main towns.

At an individual level, many Aboriginal people would prefer to be less dependent on government spending, and to have more control over their own priorities with greater access to discretionary income. The main way that this will occur will be through formal employment, but the relatively narrow economic base of the region and the limited employment opportunities will severely restrict the ability of Aboriginal people to participate in formal employment. At the moment, most of the employment of Aboriginal people is as CDEP workers, employees of Aboriginal organisations, or in some of the government departments and agencies. This situation is unlikely to change dramatically, even if new mines or other large resource projects were to be established.
Although this may suggest a pessimistic future, the reality is that Aboriginal people in the region have been able to establish a significant foothold in the economy of the region. Added to this is the fact that Aboriginal people comprise the bulk of the long-term residents. The challenge for Aboriginal people will be to build on the present economic base that they have in the form of the dozens of Aboriginal organisations in the region. The challenge for the non-Aboriginal population will be to accept that Aboriginal people are an integral component of the Kimberley region, and that Aboriginal people must be more effectively integrated into the decision-making processes that affect the region. It is in the interests of most of the non-Aboriginal population of the region for this to occur.

**Summary**

Total income of the 82 Aboriginal organisations for which data was obtained in 1991–92 was $62.9 million. Approximately 80 per cent of this income was comprised of ATSIC grants, and 83 per cent was derived from all Commonwealth sources.

Total non-government income of the Aboriginal organisations amounted to $6.4 million, 10.2 per cent of total income.

Since the accounts of all of the Aboriginal organisations in the region were not obtained, an estimate of the total income of the Aboriginal organisation sector needs to calculated. Total income of Aboriginal organisations in the Kimberley region was at least $72 million in 1991–92.

Total expenditure of the Aboriginal organisations for which information was obtained in 1991–92 was $66.3 million. Spending on wages and salaries accounted for 46 per cent of the total expenditure of these organisations ($30.2 million). By way of comparison, total expenditure on wages and salaries by the shire councils in 1991–92 was $6.4 million. Total expenditure on wages and salaries by the hospitals in the Kimberley region in 1991–92 was $17.8 million.

Expenditure on community housing and infrastructure amounted to $9.4 million, 16 per cent of total expenditure. Expenditure on motor vehicle purchases, repairs and maintenance accounted for 8.2 per cent of total expenditure.

Data for some organisations on taxation payments was obtained. Total PAYE income taxation payments were $1.17 million.

At least 173 businesses with operations in the region provided services and products to Aboriginal organisations in 1991–92.

Spending on Aboriginal organisations and Aboriginal people is a significant contributor to the economic activity in the Kimberley region. This becomes
more obvious if the Argyle diamond mine is excluded from the measures of economic activity in the region. For example, social security payments to Aboriginal people, CDEP wages and ATSIC wage and salary payments of approximately $60 million accounted for about 36 per cent of retail sales in the region in 1991–92.

The spending by Aboriginal organisations is clearly enabling many of the region's businesses to remain viable, and in some cases is contributing to the majority of the profits of these businesses. Many of these businesses in turn pay rates and other taxes, and support the existing range and level of services for all of the people in the region.

If the value of production of the Argyle diamond mine is excluded from estimates of the regional economy, then spending attributable to Aboriginal people in the Kimberley region represented approximately 40 per cent of the income of the Kimberley regional economy in 1991–92.

Expenditure on Aboriginal housing and community infrastructure accounted for at least half of the building activity in the Kimberley region in 1991–92.
APPENDIX 1

List of Kimberley Aboriginal organisations, by regional council, for which audited financial statements for 1991–92 were obtained

**Wunan**

East Kimberley Aboriginal Medical Service (Kununurra)
Fork Creek Aboriginal Community (Wyndham)
Guda Guda Aboriginal Corporation (Wyndham)
Joorook Ngarni Aboriginal Corporation (Wyndham)
Kalumburu Aboriginal Corporation
Kununurra Waringarri Aboriginal Communities Development Programme
Trust Account
Kununurra Waringarri Aboriginal Corporation
Mandangala Aboriginal Corporation (Glen Hill Station)
Mirima Council Aboriginal Corporation (Kununurra)
Ngaliwa Aboriginal Corporation (Kununurra)
Oombulgurri Association Incorporated
Warrayu Aboriginal Corporation (Wyndham)
Woolah Aboriginal Corporation (Doon Doon Station)
Yardungarri Aboriginal Corporation

14 sets of audited financial statements from 13 Aboriginal organisations and communities

**Kutjungka**

Mindibungu Aboriginal Corporation (Billiluna)
Mulan Aboriginal Corporation
Wirrimanu Aboriginal Corporation (Balgo)

3 sets of audited financial statements from 3 Aboriginal organisations and communities

**Yarleyel**

Balangarri Aboriginal Corporation (Warmun)
Baulu-Wah Aboriginal Corporation
Juwulinypany Community Aboriginal Corporation
Kartang Rija Aboriginal Corporation
Kawarra Aboriginal Corporation
Kimberley Language Resource Centre Aboriginal Corporation (Halls Creek)
Koomie Aboriginal Corporation (Bedford Downs Station)
Appendixes

Kundat Djaru Aboriginal Corporation (Gordon Downs Station)
Lamboo Gunian Aboriginal Corporation
Lumboo Creek Aboriginal Corporation (Halls Creek)
Lundja Aboriginal Corporation (Halls Creek)
Milba Aboriginal Corporation
Ngiling Anjaru Aboriginal Corporation
Ngoonjuwah Council Incorporated (Halls Creek)
Nicholson Town Campers
Puranyangu-Ranka Kerrem Aboriginal Corporation (Halls Creek)
Purnululu Aboriginal Corporation
Rugan Aboriginal Corporation
Warmun Community (Turkey Creek) Incorporated
Wurreranginy Aboriginal Corporation
Yarrunga Aboriginal Corporation
Yura Yungi Medical Service Aboriginal Corporation (Halls Creek)

22 sets of audited financial statements from 22 Aboriginal organisations and communities

Jayida Buru

Balginjirr Aboriginal Corporation (Mt Anderson Station)
Gulingi Nangga Aboriginal Corporation
Imintji Aboriginal Corporation (Mt Barnett Station)
Jarlmadangah Burru Aboriginal Corporation (Mt Anderson Station)
Karmulinunga Aboriginal Corporation (Derby)
Kimberley Land Council (Derby)
Kupungarri Aboriginal Corporation (Mt Barnett Station)
Mowanjum Aboriginal Corporation (Derby)
Ngallagunda Aboriginal Corporation (community)
Ngallagunda Aboriginal Corporation (Gibb River Station)
Nungu Group Women’s Aboriginal Corporation (Derby)
Tirralintji Aboriginal Corporation
Wah Aboriginal Corporation (Mt Elizabeth Station)
Wanang Ngari Aboriginal Corporation (Derby)

14 sets of audited financial statements from 13 Aboriginal organisations and communities

Bandaral Ngadu

Bayulu Community Incorporated
Bohemia Downs Pastoral Aboriginal Corporation
Bunuba Aboriginal Corporation
Coolgardarra Pastoral Project (Noonkanbah Station)
Darlingunaya Aboriginal Corporation (Fitzroy Crossing)
Djugerari Aboriginal Corporation (Cherrabun Station)
Joy Springs Aboriginal Corporation (Gogo Station)
Appendixes

Junjuwa Community Incorporated (Fitzroy Crossing)
Kadjina Community Incorporated (Millijidee Station)
Karrayili Adult Education Centre Aboriginal Corporation
Louisa Downs Pastoral Aboriginal Corporation
Marra Worr Worr Aboriginal Corporation (Fitzroy Crossing)
MSU Aboriginal Corporation
Muludja Aboriginal Corporation (Gogo Station)
Ngalingkadji Aboriginal Corporation
Ngumpan Aboriginal Corporation (Christmas Creek Station)
Uulyungarra Pastoral Project (Millijidee Station)
Wangkatjungka Community Incorporated (Christmas Creek Station)
Wangkiyupurumanpurru Aboriginal Corporation (Fitzroy Crossing)
Yiyili Aboriginal Corporation (Louisa Downs Station)
Yungngora Association Incorporated (Noonkanbah Station)

21 sets of audited financial statements from 19 Aboriginal organisations and communities

Kullarri

Bardi Aborigines Association Incorporated
Beagle Bay Community Incorporated
Bidyadanga Aboriginal Community La Grange Incorporated
Broome Aboriginal Media Association Aboriginal Corporation
Broome Regional Aboriginal Medical Service Aboriginal Corporation
Djarindjin Aboriginal Corporation
Kimberley Aboriginal Medical Services Council Aboriginal Corporation
Lombadina Aboriginal Corporation
Magabala Books Aboriginal Corporation
Mamabalunjin Aboriginal Corporation (Broome)
Mt Pierre Pastoral Aboriginal Corporation
Nillir Irbanjin Aboriginal Corporation
Quimbeen Pastoral Company Pty Ltd (Bidyadanga)

13 sets of audited financial statements from 12 Aboriginal organisations and communities

TOTAL

87 sets of audited financial statements from 82 Aboriginal organisations and communities
APPENDIX 2

Some businesses providing services and products to Aboriginal organisations in the Kimberley region

A & M Bookshop
Aerial Enterprises
AGAPE Time Control
Alphapharm
Amfac Medrecord
Ansett
Ansett Air Freight
ANZ Bank
Archie Martin Stores
Atkins Carlyle
Baz Industries
Beaurepaires
Bell Freighters Pty Ltd
Betta Appliance Centre
BME Appliances
Boab Engineering
Boab Pharmacy
Boab Spares and Repairs
Bob Parsons
BP Colac
BP West Kimberley Fuels Pty Ltd
Brambles Manford
Branko BP Motors
Broome Exhaust
Broome Furnishings
Broome Hardware
Broome Office Supplies & Services
Broome Palms
Broome Radiator
Broome Slipways
Broome Toyota
Broome Toyworld
Bunnings
BW Cole & Co
Carpet Paint and Tile Centre
Chinatown Music
CIG Gases
CJD Equipment
Cockburn Hire
Coleman’s Printing
Comet
Commonwealth Bank
Computer Access
Continental Hotel
Coventry Motors
Crocodile Air
Cullity Timbers
Dale Printing and Stationary
Daniel Panel Beating
Derby Building Supplies
Derby Discounts
Derby Toyota
Derby Tyre and Exhaust
Di’s Creations
Dinkum Aussie Sportwear
East Kimberley Fuels Ltd
East Kimberley Hiring
Elders Burnett Moore
Elgee Toyota
Email
Essential Services Kununurra
Fitzroy Earthmovers
Fitzroy Helicopters Pty Ltd
Fongs Store
G & R Wills
GD General Maintenance
Gascoyne Removal and Storage
Gascoyne Trading
GEC Video Systems
Goodman Fielder Mills
Grandison and Co
Grandisons Hardware
Appendixes

GWN Pty Ltd
Hall Chadwick
Halls Creek Construction & Maintenance
Halls Creek Meat Supply
Halls Creek Store
Halls Creek Trading Post
Hampton Transport
Harvey Norman Discounts
Hertz Rent a Car
Incinerator Co Pty Ltd
Independent Grocers
K’s Fashion Wyndham
Kenny Enterprise
Key Transport
Kimberley Business Machines
Kimberley Bookshop
Kimberley Bush Taxis
Kimberley Distributors
Kimberley Glass
Kimberley Court Motel
Kimberley Milk
Kimberley Supa-Valu
Kimberley Waste Services
Kimwest
Kings Ambassador Motel
Kiss Refrigeration
Kleenheat
Kununurra Amcal Pharmacy
Kununurra Bargain Shed
Kununurra Business Machines
Kununurra Hotel
Kununurra Panel Beating Works
Kununurra Pharmacy
Kununurra Service Centre
Makins Plumbing and Gas Services
Mangrove Hotel
Marquip Machinery
Millars Refrigeration
Modern Teaching Aids
Modular Metals
Mole Engineering
Moller Seapower
Motorcycle & Small Engine World
Northern Rentals
Northwest Steel
Nurserymens Supplies
Oliver and Co Pty Ltd
Ord Air Charter
Ord Refrigeration
Ord Video
Outback Electrical
Pandata Computers
Pauls Nursery
Pederson Contact
Peerless Emulsions
Peninsular Plumbing
Percival Publishing Co Ltd
Phil the Fridge
PKE Pty Ltd
Poincianna Roadhouse
Prestige Plumbers
Quality Tropicana Inn
Red Hot T-Shirt Co
Roebuck Autos
Rogers Tyres and Machinery
RS Marine Pty Ltd
Rusty’s Foodland
S.G. Distributors
Seaview Pharmacy
Shell Australia
Shinju Motors
Shore Line Security
Slingair
Speedy and Bob’s Electrics
Statrolls Pty Ltd
Steves Marine and Mower Service
Streeter and Male
Sudden Pest Control
Swagman Roadhouse
Telecom Australia
Thompsons Tyres
TNT Express
Top End Motors
Tropical Motors
Troppo Sound
Tuckerbox Stores
Vysim
Appendixes

WA Polybag Distributors
WA Solar Supplies
WA Suspensions
Wedgefield Plumbing
Wesfarmers Rural
Western Automotive Pty Ltd

Westrac
Winto’s Cleaning Services
Wyndham Port Hardware
Wyndham Town Hotel
Zee Zee’s Cleaning

Source: Audited financial statements of Kimberley Aboriginal organisations
APPENDIX 3

Aboriginal-owned pastoral leases in the Kimberley region, September 1992

<table>
<thead>
<tr>
<th>Area (Hectares)</th>
<th>Rent ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal owned</td>
<td></td>
</tr>
<tr>
<td>Billiluna</td>
<td>162,889</td>
</tr>
<tr>
<td>Bohemia Downs</td>
<td>110,226</td>
</tr>
<tr>
<td>Bow River</td>
<td>300,888</td>
</tr>
<tr>
<td>Carranya</td>
<td>357,809</td>
</tr>
<tr>
<td>Carson River</td>
<td>307,701</td>
</tr>
<tr>
<td>Doon Doon</td>
<td>387,179</td>
</tr>
<tr>
<td>Elvire</td>
<td>63,570</td>
</tr>
<tr>
<td>Frazier Downs</td>
<td>133,460</td>
</tr>
<tr>
<td>Gibb River</td>
<td>380,433</td>
</tr>
<tr>
<td>Glen Hill</td>
<td>14,275</td>
</tr>
<tr>
<td>Koongie Park</td>
<td>38,980</td>
</tr>
<tr>
<td>Lake Gregory</td>
<td>271,699</td>
</tr>
<tr>
<td>Leopold Downs</td>
<td>404,467</td>
</tr>
<tr>
<td>Louisa Downs</td>
<td>199,499</td>
</tr>
<tr>
<td>Millijidee</td>
<td>307,930</td>
</tr>
<tr>
<td>Mowanjum</td>
<td>53,178</td>
</tr>
<tr>
<td>Mt Anderson</td>
<td>93,712</td>
</tr>
<tr>
<td>Mt Barnett</td>
<td>125,303</td>
</tr>
<tr>
<td>Mt Pierre</td>
<td>216,281</td>
</tr>
<tr>
<td>Noonkanbah</td>
<td>169,791</td>
</tr>
<tr>
<td>Pantijan</td>
<td>174,939</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4,274,209</td>
</tr>
<tr>
<td>Non-Aboriginal owned</td>
<td>17,562,720</td>
</tr>
</tbody>
</table>

Source: Department of Land Administration, Pastoral Lease Statistics, 24 September 1992
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ABORIGINAL PEOPLE IN THE ECONOMY OF THE KIMBERLEY REGION

The Kimberley region of Western Australia has long been regarded by non-Aboriginal people as one of the last great wilderness areas of the world. Since the days of the earliest European exploration, the region has attracted pastoralists, miners, farmers and others interested in ‘developing the north’. Most of this development has ignored the rights and interests of the Aboriginal population of the region.

Despite massive government expenditure, large scale and sustainable development in the region remains elusive. Much of the pastoral industry, which occupies vast areas of land, is non-viable, and mineral production is dominated by one large mine in the east Kimberley region. After more than one hundred years of occupation, the non-Aboriginal resident population of the region is still only about twelve thousand.

Though most of the emphasis of government policy for the region has been on stimulating large scale commercial development, the reality is that a significant proportion of the economic activity in the region is heavily dependent on government spending. Much of this spending is attributable to Aboriginal people and Aboriginal organisations.

This book examines the economy of the Kimberley region, and the role of Aboriginal people in that economy. It also examines the policies and practices of past and present Western Australian Governments, and the financial relations between Western Australia and the Commonwealth Government. It demonstrates how Aboriginal people can be regarded as the long-term demographic and economic base of the region.

Greg Crouch is a Senior Research Fellow at the North Australia Research Unit. Christine Christophersen was employed by the Kimberley Land Council as a researcher on the project, and to communicate the results of the research to people living in the region. The research was commissioned by the Kimberley Land Council and a number of other Aboriginal organisations in the region.