

PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

INQUIRY INTO THE ABORIGINAL DEVELOPMENT COMMISSION
INTERIM REPORT ON EFFICIENCY AND EFFECTIVENESS
OF EXPENDITURE

Report of the House of Representatives
Standing Committee on Expenditure

October 1984

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FOREWORD

In February 1984 the House of Representatives Standing Committee on Expenditure agreed to undertake an inquiry into the efficiency and effectiveness of programs of expenditure funded by the Aboriginal Development Commission.

Since then Members of the Committee and its Secretariat have collected a very large amount of information on the Aboriginal Development Commission, its programs and other programs of assistance to Aboriginal people. I am grateful to Members of the Committee for their generous allocation of time and effort to the examination of material related to the inquiry, to inspections at Aboriginal communities and to attendance at hearings. I wish on behalf of all Committee Members to extend particular thanks to those many Aboriginal communities we visited in the course of the inquiry and to the individuals at those communities who were most helpful and co-operative.

I would also like to thank Mr Bruce Boell, who has been on loan to the Expenditure Committee Secretariat under the Public Service Board Interchange Program from the Shell Company and who, through his hard work and expertise has made a most important contribution to the Committee's work. Other members of the Secretariat, particularly Sue Harlow and Christopher Paterson, deserve our thanks for the many hours of their own time they have put into this inquiry.

This report is an interim one which reflects the Committee's findings to date. It is expected that this report will be followed by two further reports: a detailed report which explores further the issues raised in this report and other matters within the terms of reference; and a confidential report which will take up a number of matters that have been drawn to the Committee's attention but which are beyond the Committee's terms of reference or its expertise.

A significant conclusion reached in the preparation of this Interim Report was the importance of the word 'development' in the Aboriginal Development Commission's title and the need for the Aboriginal Development Commission to address the issue of development with greater vigour, planning and administrative control. The Aboriginal Development Commission has during its brief history, had some very significant weaknesses. Some of the weaknesses described by the Committee stem from the normal establishment difficulties of a new organisation; others are more serious and need to be corrected if the Aboriginal Development Commission is to fulfil its potential to promote Aboriginal development and self-management.

The Aboriginal Development Commission can be a key organisation in the future of Aboriginal society. To do this, however, it must do more than simply respond to requests from communities.

October 1984

LEO MCLEAY, MP
Chairman

MEMBERS OF THE COMMITTEE

Chairman: Mr L.B. McLeay, MP
Deputy Chairman: Mr S.A. Lusher, MP

Members: Hon A.E. Adermann, MP
Mr P.J. Baldwin, MP
Mr R.J. Brown, MP
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Mr B.J. Goodluck, MP
Mrs R.J. Kelly,¹ MP
Mr A.A. Morris, MP
Mr J.G. Mountford, MP
Mr C.W. Tuckey, MP
Hon I.B.C. Wilson, MP

Secretary: Mrs S.M. Harlow

1. The nominee of the Chairman of the Joint Committee of Public Accounts who, in accordance with Clause (2) of the Resolution of Appointment, is a member of the Expenditure Committee.

MEMBERS OF THE SUB-COMMITTEE

Chairman: Mr L.B. McLeay, MP

Members: Mr P.J. Baldwin, MP
Mr R.J. Brown, MP
Mr R.V. Free, MP
Mr B.J. Goodluck, MP
Mrs R.J. Kelly, MP
Mr S.A. Lusher, MP
Mr A.A. Morris, MP
Mr J.G. Mountford, MP
Mr C.W. Tuckey, MP
Hon I.B.C. Wilson, MP

Secretary: Mrs S.M. Harlow

Special Adviser: Mr R.B. Boell

Inquiry Staff: Mr C Paterson
Mrs B Williams

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SUMMARY AND RECOMMENDATIONS

1. The Committee has taken the unusual step of preparing a brief interim report on its inquiry into the Aboriginal Development Commission. It has prepared this report to put on record, at an early stage, its belief that the ADC has an important role to play in the promotion of Aboriginal development and self-management. This is not to say that the Committee does not have criticisms of the way in which the ADC has operated its programs during its brief history: it has many such criticisms some of which are addressed in this interim report.

2. The Committee notes that a new Chairman and Administrator have been appointed to the ADC during the course of the inquiry and that this new top-level management has recognised some organisational problems and has begun to implement changes to the administration and conduct of the affairs of the Commission.

3. The Committee will, in due course, prepare a more detailed report on the efficiency and effectiveness of the ADC, as well as a confidential report which will be made available to the Minister for Aboriginal Affairs. This confidential report will deal with information and allegations of a serious nature which have come to the Committee's attention during the inquiry but which are generally peripheral to its terms of reference.

4. In its Interim Report the Committee has focussed on recommendations of direct relevance to existing programs which it believes can be implemented by the ADC without additional cost. It has also argued for the maintenance of ADC involvement in housing programs.

The Committee's recommendations are as follows:

Role of the ADC

1. The Commission's role should be maintained and strengthened. Its emphasis should be increasingly on programs associated with Aboriginal development, including housing, enterprises and land acquisition, with welfare programs remaining with the Department of Aboriginal Affairs or elsewhere.

[paragraph 1.04]

2. Further fragmentation of responsibilities within the portfolio should not occur. Any new organisation experiences teething problems and requires a settling-in period to function efficiently. Continuing changes of responsibilities and creation of new organisations militates against achieving efficient program delivery.

[paragraph 1.07]

Aims and Objectives of the ADC

3. The Commission should, as a matter of high priority, establish a corporate plan for its objectives which should be updated on a regular basis. Whilst the Commission cannot be insensitive to the wishes of the Aboriginal population at large it does have a leadership role to exercise particularly in the area of Aboriginal enterprises, which is not being fully exercised at present.

[paragraph 3.03]

4. The Commission should be encouraged to develop the freedom inherent in its Act to establish its own objectives and to acquire the resources, including staff, which are necessary to achieve those objectives.

[paragraph 3.06]

Capital Fund

5. Greater emphasis should be applied within the Capital Fund to acquisition of assets more directly concerned with Aboriginal purposes.

[paragraph 3.10]

Administrative Systems

6. High priority should be given to completion of the development of systems for monitoring the programs of expenditure. Examples are the Rural Accounting and Management System and the Housing and Enterprise Loans system. Such systems should ensure regional and sub-regional accountability and be instituted to strengthen the decentralisation of ADC personnel at these levels.

[paragraph 4.05]

7. A much more rigorous filing system of submissions for projects requiring Commission approval should be instituted.

[paragraph 4.06]

Role of Commissioners

8. The role of Commissioners should be to:
 - . Monitor the ongoing performance of the Commission
 - . decide policy issues
 - . approve projects/activities beyond the delegated authority of Commission staff.

Exercising this role should lead to a reduction in the amount of material presented to Commissioners for meetings and the material should be confined to:

(a) brief reports of activities - current period and year to date, including progress reports of major ongoing projects;

(b) policy papers; and

(c) submissions on projects/activities beyond the delegated authority of Commission staff.

[paragraph 4.08]

Register of Commissioners' Interests

9. A chronological register of interests of Commissioners should be maintained with the obligation placed on Commissioners to update the register as interests are changed.

[paragraph 4.09]

National Aboriginal Conference Car Loans

10. The ADC should not have the responsibility for providing motor vehicle loans to NAC members, and that the NAC should take this matter up with the Minister for Aboriginal Affairs with a view to satisfactory transport allowances being made for members.

[paragraph 4.11]

Staffing Matters

11. The Committee recognises that there are particular staffing difficulties in organisations such as the Commission and that standard ratios of staffing to expenditure should not necessarily apply. The Government should clarify the provisions of section 33(1) of the ADC Act 1980 as to whether the Commission's staff levels are subject to direct Government regulation.

[paragraph 4.17]

12. The Commission should be given greater freedom to employ the number of people at classifications it sees as necessary to carry out its functions, and be able to self determine the proportion of its budget devoted to staffing and administration expenses.

[paragraph 4.17]

Training

13. The training process should be considered as an integral function of other Commission responsibilities so that funding of housing and enterprise programs can be linked with associated training programs. This is considered to be particularly important in the case of enterprise programs where the basic skills are best learnt on the job rather than in an institutionally provided course. The emphasis on acquisition of enterprises should switch from acquisition per se, to acquisition linked to training and development opportunities.

[paragraph 4.21]

Employment under Commonwealth Public Service Act

14. The majority of persons employed by the Commission should be employed under the Commonwealth Public Service Act with provision for employing a smaller number (say 20% - 30%) outside the provisions of the Act.

[NOTE: Mr C W Tuckey dissents from this recommendation. His dissent is recorded on page 55]

[paragraph 4.24]

Area Officer Networks

15. The Department of Aboriginal Affairs and the Commission should maintain separate area officer networks but the administrative resources available to officers of both organisations should be rationalised and integrated.

[paragraph 4.28]

Housing Responsibilities

16. The Grants-in-Aid Housing program should remain the responsibility of the Commission.

[paragraph 5.02]

17. The Commission should take over from the DAA responsibility for the supply of services associated with housing: water supply; sewerage; power. In addition services such as the home-maker scheme, which is training in the process of running and caring for a home and therefore not strictly a welfare function, should also become the province of the Commission.

[paragraph 5.02]

- 18: Maintenance of the existing stock of housing should receive more attention:

(a) by way of training programs within communities in simple house maintenance tasks associated with the home-maker programs or care of houses and equipment; and

(b) by taking into account in the allocation of funding for new housing, the performance on rent collection and house maintenance of the existing stock of housing.

[paragraph 5.03]

Housing Loan Scheme

19. The interest rate and eligibility structure for the housing loans scheme should be restructured to ensure those most in need have highest priority for low interest loans. The restructured scheme should have the following features:

- loan interest rates should be tied to bank home loan interest rates, rather than be fixed rates as at the present time;
 - a discount structure should be established such that the discount from the bank lending rate is a function of the Average Male Weekly Earnings of the person applying for the loan, or some other suitable indicator;
 - persons in the higher earning categories should receive no discount at all. Persons in this category should not be eligible for loans if there is unsatisfied demand by lower income earners;
 - criteria for eligibility for loans at concessional interest rates should be broadly consistent with those applying in other comparable assistance schemes.
 - the requirement for borrowers to have been rejected by a lending institution should be abolished;
 - loans at concessional interest rates for all housing loans should be subject to regular, say, biennial or triennial review to check whether the circumstances of the recipient have changed to the extent that a revised interest rate can be charged;
 - one lending institution should operate as the Commission's agent for the scheme.
[paragraph 5.05]
20. To stretch the current housing loan allocation over a wider number of people, schemes such as loan guarantees modelled on the Housing Loans Insurance Corporation from commercial lending institutions and supplements to commercial loans through low interest second mortgages should be urgently pursued. In this way the housing loan monies available to the Commission would be used to supplement funds available from other institutions rather than replace them.
[paragraph 5.06]
21. The arrears position on housing loans is serious. Tighter administration of loans would improve this situation. In particular, implementation of the Commission's computer program for loan processing should be given high priority.
[paragraph 5.07]

Property Acquisitions

22. The Commission should develop criteria for social value for properties bought either wholly or largely for social purposes in order that priorities can be allocated for purchase and disposal of such properties.
[paragraph 6.03]

23. Reasons for acquisition of properties falling in the 'social/economic' category should be clearly defined before properties are purchased.

[paragraph 6.03]

24. Those properties meeting neither social nor economic needs should be considered for disposal.

[paragraph 6.03]

Financial Commitments to Existing Properties

25. Financial commitments to existing properties should be fully assessed before further land acquisitions are undertaken. Implementation of the Rural Accounting and Management System should significantly assist these assessments.

[paragraph 6.04]

Title to Existing Properties

26. The transfer to local Aboriginal communities of titles to properties held in the name of the Commission should be expedited.

[paragraph 6.05]

Community Based Enterprises

27. The use of the enterprise program to establish facilities such as stores for isolated Aboriginal communities is supported.

[paragraph 7.05]

Commercially Based Enterprises

28. Before enterprises are funded those which are to be of a commercial nature should be clearly identified. For such enterprises, the initial emphasis should be on establishing commercial viability; social benefits flowing from the profit generated should be seen as a secondary goal. Confusion of the two aims at an early stage seems to be a reason for failure of enterprises. Boards of enterprises should be limited in number to ensure that the enterprise is not burdened with excessive overheads.

[paragraph 7.08]

29. The evaluation, feasibility and approval process for acquiring commercially based enterprises should be tightened up to:

- (a) ensure that full feasibility studies containing future cash flow projections are made before the acquisition takes place;
- (b) ensure that reports of the feasibility of the enterprise are obtained from competent, independent persons in the field of the enterprise;

- (c) ensure that both the Commission and the enterprise directly have sufficient managerial expertise available to maximise the possibility of success; particular consideration should be given to these resources in the early years of acquisition;
- (d) recognise that acquisition of commercial enterprises may generate considerable local hostility and ensure that the plan of acquisition takes steps to minimise this hostility when it may be prejudicial to the future of the enterprise;
- (e) appoint outside directors with experience in that industry to the board of the enterprise;
- (f) provide on-going monitoring of each enterprise program to ensure that it is achieving its objectives whether social or economic or a combination of these;
- (g) prevent funding of the enterprise if resources are not available to provide this monitoring and direction.

[paragraph 7.08]

ADC Officers as Directors of Enterprises

30. The roles and responsibilities of Commission officers appointed as directors to boards of enterprises should be clearly spelt out, particularly with regard to their responsibilities to keep the Commission informed of the enterprise's progress compared with plans. Commission officers should be indemnified against action that can be taken against them, for matters other than personal negligence, in their role as directors.

[paragraph 7.08]

Aboriginal Ownership and Control of Projects

31. Aboriginal ownership and control of projects should remain a focus of the enterprise program but where Aboriginals have few relevant skills gradual transfer of ownership and control as expertise is built up should be considered.

[paragraph 7.09]

32. The joint venture approach whereby the Commission is able to supply capital to an existing entrepreneur and acquire a share of the business (not necessarily a controlling one) in return for a program of employment and training for Aboriginal staff should be utilised.

[paragraph 7.10]

Training and the Enterprise Program

33. The enterprise function should be considered integrally with the training function so that training in management and entrepreneurial skills is given equal, if not greater importance, than actually acquiring Aboriginal enterprises.

[paragraph 7.11]

Conversion of Enterprise Loans to Grants

34. The necessary changes to administrative procedures to obviate the need in some circumstances to initially make grants to social organisations as loans should be implemented as soon as possible.

[paragraph 7.12]

35. Under only exceptional circumstances should loans be converted to grants. The Commission should consider rescheduling loans in instances of seasonal hardship or other unforeseen circumstances but where mismanagement has occurred, foreclosure should be instituted.

[paragraph 7.13]

CHAPTER 1

THE SCOPE OF THE INQUIRY, THE ROLE OF THE ABORIGINAL DEVELOPMENT COMMISSION AND OBJECTIVES OF THIS REPORT

Scope of the Inquiry

1.01 In February 1984 the House of Representatives Standing Committee on Expenditure agreed to conduct an inquiry into the Aboriginal Development Commission [ADC] with the following terms of reference:

- . to review the efficiency and effectiveness of expenditure by the Aboriginal Development Commission on programs of financial assistance to Aboriginals and Torres Strait Islanders with specific attention to -
 - (a) the procedures and criteria for the allocation of financial assistance to Aboriginals and Torres Strait Islanders;
 - (b) expenditure by the Commission on the administration of the ADC and the programs of financial assistance;
 - (c) the standard of accountability by the ADC in relation to its programs of expenditure; and
 - (d) criteria applied by ADC in assessing proposed property acquisitions.
- . to review the need for a continuation of the special funding arrangements available through the ADC to Aboriginals and Torres Strait Islanders.

1.02 The Committee was concerned that the second term of reference above could be interpreted that the Committee was questioning the existence of the ADC. At a subsequent meeting of the Committee on 6 April 1984 the Committee approved the following clarification of the second term of reference:

'The Committee stresses that it in no way questions the need for an independent, Aboriginal controlled body to administer programs of special assistance to Aboriginals and Torres Strait Islanders but its concern is that funds that are made available for such purposes are administered efficiently and put to best use.'

Continued Role of the ADC

1.03 Despite this disclaimer the Committee believes that in some quarters its inquiry is still being interpreted as a possible mechanism to weaken the ADC. Although much of the evidence collected by the Committee has indicated very serious weaknesses in the staffing of the ADC and the administration by the ADC of its programs, it should be stressed that no submission, organisation or person visited in the course of inspections, nor person giving evidence before the Committee called for the dismantling of the ADC and return of its programs to the Department of Aboriginal Affairs [DAA] or elsewhere.

1.04 On the contrary, overwhelming support exists within the Aboriginal community for the concept of a body under Aboriginal direction and control which can set its own priorities and programs for Aboriginal development issues. There appears to be significant advantages in separating the assistance/welfare functions controlled by DAA from development/self-management functions. The Committee therefore recommends that:

Recommendation 1. The Commission's role should be maintained and strengthened. Its emphasis should be increasingly on programs associated with Aboriginal development, including housing, enterprises and land acquisition, with welfare programs remaining with the Department of Aboriginal Affairs or elsewhere.

1.05 At the time of the ADC's inception and virtually throughout its life a serious underestimation has been made of the staffing requirements necessary at two levels:

- (a) to supervise and deliver the programs at the field level; and
- (b) to set up and maintain control procedures at Central and Regional office levels.

Criticism can be directed at organisations external to the ADC for imposing unrealistically low staffing levels on the ADC, particularly at the time of formation when a considerable workload arose from the process of establishing the new organisation. The management of the ADC can be criticised for failing to properly recognise its own limitations and curtailing its programs to those which could reasonably be handled with the staff available to it. Staff at lower levels of the Commission have shown an extraordinary dedication to achieving an almost impossible task and are in general beyond criticism.

1.06 The establishment difficulties experience by the ADC were quite similar to those experienced by the DAA itself during its early days, as indicated by the report of the Department for the period December 1972 - June 1974:¹

'The new Department was deficient in staff resources. It had no management services of its own..... The new Department of Aboriginal Affairs therefore commenced operations with no staff of its own to handle its crucial management and financial functions..... In the end the Secretary took the unprecedented step of calling on the Auditor-General on [sic] September 1973 to tell him that he could no longer adequately control the financial operations of the Department.'²

1.07 During the course of this inquiry the Minister for Aboriginal Affairs announced to the Parliament his intention of establishing 'a new Aboriginal Housing Authority to provide a focus under Aboriginal leadership for all housing functions in the portfolio'. The Committee has noted that the Minister's proposal has met with resistance within the Aboriginal community

and that little progress has been made towards the creation of the new authority. Consideration of the problems experienced in the formation of the ADC [and indeed the DAA] together with evidence that already there is confusion in the Aboriginal community as to which agency is responsible for particular programs have led the Committee to recommend:

Recommendation 2: Further fragmentation of responsibilities within the portfolio should not occur. Any new organisation experiences teething problems and requires a settling-in period to function efficiently. Continuing changes of responsibilities and creation of new organisations militates against achieving efficient program delivery.

Objectives of this Report

1.08 The Committee appreciates that the Commission has been the subject of more than one inquiry and that the cumulative effect of such inquiries may have been unsettling. The Committee has appreciated the high degree of co-operation it has received from Commission officers and realises that significant Commission resources have been committed to providing material for this inquiry. The Committee has produced this interim report with a number of general recommendations to minimise any unsettling effect this inquiry may have generated, and to enable the Commission to resume its very valuable work in the knowledge that it has overall support for its functions from the Committee. A final report, containing detailed recommendations with a full examination of evidence submitted to the Committee will be tabled at a later date.

1.09 Several matters brought to the attention of the Committee including the disputes between the Commission and Ralkon Pty Ltd [South Australia] and the Commission and Aboriginal Arts and Crafts Pty Ltd have not been investigated by the Committee for one or more the following reasons:

. they do not fall strictly within the terms of reference of the current inquiry;

. they are issues of such complexity that an inordinate amount of Committee time could be spent investigating them without the issues providing a commensurate contribution to the general conclusions being drawn by the Committee;

. they have been, and in some cases continue to be, subject to legal processes within the courts and the Committee believes investigation would be inconsistent with existing Parliamentary practice where the House imposes a restriction upon itself to avoid setting itself up as an alternative forum to the courts.

1.10 A number of other matters brought to the attention of the Committee have involved serious allegations of mal-administration which in some instances may lead to criminal prosecution. The Committee does not believe that it is an appropriate body to pursue such allegations as it does not have the appropriate investigatory and judicial expertise. It is therefore taking the unusual step of preparing a confidential report to the Minister bringing to his attention these allegations and the need for further investigation by more appropriate bodies.

CHAPTER 2

PERSPECTIVES OF THE ADC AND PRECEDING ORGANISATIONS

2.01 The Aboriginal Development Commission is a statutory body established under the Aboriginal Development Commission Act 1980 [ADC Act]. The purpose of the ADC is to promote the economic and social well-being of Aboriginals and Torres Strait Islanders. To achieve these objectives the ADC has pursued a number of broad functions:

- . acquisition of land for Aboriginal communities and groups;
- . loans and grants for housing; and
- . loans and grants for business enterprises.

2.02 These functions were previously carried out by the Aboriginal Loans Commission [ALC], the Aboriginal Land Fund Commission [ALFC] and the Department of Aboriginal Affairs. The ADC was expected to function fully from inception as it had taken responsibility for all housing and enterprise loans and all land previously purchased.

2.03 The ADC commenced operations on 1 July 1980 with staff drawn almost entirely from the two Commissions and the DAA. Although there was an establishment of 94 the Commission's staff ceiling was set at 89 and it was only able to fill 80 of these positions. In addition to the staff ceiling the Commission had 19 Aboriginal trainees and after only four months these people had to be absorbed into the ADC because of an inability to obtain additional staff ceiling cover. The effect of this was that a significant proportion of the experienced staff were recalled to the DAA and replaced with inexperienced trainees.¹

2.04 Since 1980 the ADC has taken over a number of small functions such as the provision of loans to National Aboriginal Conference members for the purchase of vehicles and a sports assistance function. The most significant function taken over by the ADC was the Grants-in-Aid Housing Program on 1 July 1981. This program more than doubled the general purpose funds appropriated to the ADC and significantly increased staff numbers [see tables 2.1 and 2.2].

TABLE 2.1

ABORIGINAL DEVELOPMENT COMMISSION
ESTABLISHMENT/STAFF CEILINGS

| <u>Period ended</u> | <u>Establishment</u> | <u>Approved ceiling</u> [Full-time] | <u>Total Staff</u> <u>Employed</u> |
|---------------------|----------------------|--|---------------------------------------|
| 30. 6.80 | 94 | 89 | 80 |
| 30. 6.81 | 94 | 103 | 80 |
| 30. 6.82 | 187 | 187 | 214 |
| 30. 6.83 | 479 | 213 | 230 |
| 30. 6.84 | 514 | 250 | 252 |
| *30. 6.85 | 514 | 270 | - |

*Average operative staffing level for 1984/85

Source: ADC response to Possible Questions, p.109
Attachment A

TABLE 2.2

ADC AND FOREGOING ORGANISATIONS - APPROPRIATION HISTORY

SM

| | <u>1977/78</u> | <u>1978/79</u> | <u>1979/80</u> | <u>1980/81</u> | <u>1981/82</u> | <u>1982/83</u> | <u>1983/84</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Aboriginal Loans Commission | 5.0 | 5.35 | 5.5 | - | - | - | - |
| Aboriginal Land Fund | | | | | | | |
| Commission | 0.75 | 0.543 | 0.8 | - | - | - | - |
| Department of Aboriginal Affairs - Grants-in-Aid | | | | | | | |
| Housing | 13.738 | 16.872 | 20.474 | 22.063 | - | - | - |
| Aboriginal Development Commission - | | | | | | | |
| Capital Fund | - | - | - | 10.0 | 9.0 | 1.0 | - |
| General Fund | - | - | - | 13.838 | 39.866 | 50.384 | 58.929 |
| Total | - | - | - | 23.838 | 47.766 | 51.384 | 58.929 |

Sources: Appropriation Bill [No 1] 1978-79, 1979-80, 1980-81, 1981-82, 1982-83, 1983-84, 1984-85

CHAPTER 3

AIMS AND OBJECTIVES OF THE ADC

Long Term Planning

3.01 The aims and objectives of the ADC are largely determined by its functions which are set out in section 8 of the Aboriginal Development Commission Act 1980 which states:¹

'The functions of the Commission are, subject to and in accordance with this Act, to further the economic and social development of Aboriginals and, in particular, but without limiting the generality of the foregoing -

- (a) to assist communities and groups of Aboriginals to acquire land;
- (b) to assist Aboriginals to engage in business enterprises;
- (c) to assist Aboriginals to obtain finance for housing and for other personal needs, and to provide such finance;
- (d) to assist in the training of Aboriginals in relation to matters related to the functions of the Commission;
- (e) to administer and control the Capital Account;
- (f) to give advice and make recommendations to the Minister with respect to the furtherance of the economic and social development of Aboriginals; and
- (g) such other functions in connection with the furtherance of the economic and social development of Aboriginals as the Minister determines by notice in writing given to the Commission.'

The Commission did not start with the capacity to set its own priorities and targets but inherited these from other organisations. It took over the responsibilities of the Aboriginal Land Fund Commission and Aboriginal Loans Commission and the Enterprise Grants Program of the DAA, and at a later date [July 1981] the housing grants-in-aid program was transferred to the Commission from the DAA. The Commission has stated that its ability to establish priorities for expenditure between functions was constrained by inheriting the ongoing programs and commitments of other agencies and by lack of sufficient increases in funding to provide greater flexibility.²

3.02 The Commission also appears to have been perhaps overly responsive to immediate, short term pressures. The Administrator, Mr R Winroe, stated that the Commission often has extreme demands, requests and sometimes physical activities to induce it to become more involved in the development of particular communities.³ The Chairman, Mrs McPherson, indicated in response to a question as to whether the Commission's role is to react or to provide leadership that she saw the role as responding.⁴ The Committee does not accept that the Commission should only be a reactive organisation.

3.03 The Commission has stated that housing assistance is a high priority. This is evidenced by the proportion of total program expenditure allocated to housing grants and housing loans rising from 75% in 1981/82 to 79% in 1984/85.⁵ As well as this, Mrs McPherson has said that she regards training as a high priority.⁶ Nevertheless, the Committee believes from the Commission's written replies to questions and evidence given before it that the Commission lacks a coherent long term plan. This situation is not new, as evinced by the Ferris Norton Report prepared in 1982 for the Commission, which stated:

'At this stage in the Commission's development, there is no effective mechanism to make a well-considered assessment of how priorities should be ordered; whether it would be better to spend development funds in North Western Australia, buy land in Queensland or buy a

building for a legal service in New South Wales. If an application for assistance is received and meets lending guidelines, the Commission will continue to lend and grant until funds run out. Under these conditions it is not possible to measure the effectiveness of Commission activity except to be able to report at the end of a period that so much money was spent to build so many houses, that so much money was lent to enterprises; so much money was made available to acquire land. In our view, the present approach tends to fragment available funds, spreading scarce resources too thinly to be as effective as it might be.⁷

The Committee believes that this situation still obtains in 1984 and recommends:

Recommendation 3: The Commission should, as a matter of high priority, establish a corporate plan for its objectives which should be updated on a regular basis. Whilst the Commission cannot be insensitive to the wishes of the Aboriginal population at large it does have a leadership role to exercise particularly in the area of Aboriginal enterprises, which is not being fully exercised at present.

Mrs McPherson has asserted that the Commission is reorganising its policy area and is creating a policy division.⁸ The creation of this policy division should materially assist in the process of creating a direction for the future. Nevertheless it should be understood that such planning and direction is more than a creature of a policy division: it requires the commitment of Commissioners and senior management of the Commission to implement it in a practical sense. The outline of a possible structure for a plan for the Commission is given in Appendix (V).

The Aboriginal Development Commission Act and the ADC

3.04 The ADC Act was seen as an historic piece of legislation which for the first time put in the hands of Aboriginal people the control of Aboriginal affairs.⁹ The Administrator, Mr Winroe, still sees the Act in the same light. '... the Commonwealth has introduced a new element into Aboriginal affairs of self-management and of putting the responsibility back - quite rightly so - on to Aboriginal people

to foster leadership.¹⁰ He went on to say 'I really believe that legislation will stand the test of time. The ADC Act is an exciting Act for us to achieve our objectives.'¹¹

A number of special provisions were made in the Act to ensure the independence of the ADC:

- . any direction given by the Minister to the Commission should be in writing and is to be laid before each House of the Parliament within 15 sitting days of that House after the direction was given;¹²
- . the Commission was given power to engage such employees as are necessary for the performance of its function under the Act; and
- . terms and conditions for the employment of persons so engaged were to be determined by the Commission with the approval of the Public Service Board.¹³

3.05 In the event, the ADC has had much less independence than these provisions would suggest. Firstly, the ADC inherited a series of policies and programs from prior organisations [refer paragraph 3.01] and secondly, from the outset was subjected to staff ceilings [this subject is covered in detail in a later section, 4.17] which had the following effects:¹⁴

- (a) inability to recruit any qualified legal staff until late 1981 and subsequently unable to recruit adequate numbers of legal staff until 1983 - this has had a severe effect on the Commission in its commercial operations;
- (b) inability to recruit to the internal audit positions necessitating the engagement of a firm of accountants on a consultancy basis in late 1982;
- (c) inability to recruit to many very important positions in the Regions and Areas, e.g. Assistant Director [Field Operations], Assistant Director [Projects and Planning], and Project Officer and Senior Project Officers [economic/business assessment and review officers];
- (d) inadequate consultation and liaison with Aboriginal communities in relation to provision of housing, land and enterprise assistance;

- (e) inadequate programming and planning;
- (f) inadequate monitoring and aftercare in relation to loan funded activities;
- (g) inability to adequately analyse effectiveness of programs and acquit grant funding;
- (h) inability to adequately provide on-the-job training;
- (i) high turnover of staff because of inability to cope with excessive workload - high incidence of sick leave and industrial unrest;
- (j) created difficulty in participation in co-ordination with other agencies delivering programs to Aborigines.

3.06 In addition, Mr Perkins, the immediate past Chairman of the ADC and current Secretary of the DAA has said: 'We [the DAA] ought to have a closer co-operation with the ADC, and I think that may have been missing in the past few years. I do not think we have come together as well as we should have.'¹⁵ Mr Perkins has also suggested that further responsibilities could be transferred to the ADC, the Department concentrating on policy, and on the co-ordination of the programs between Government departments and statutory bodies.¹⁶ The Committee recommends that:

Recommendation 4: The Commission should be encouraged to develop the freedom inherent in its Act to establish its own objectives and to acquire the resources, including staff, which are necessary to achieve those objectives.

The Capital Fund

3.07 The ADC Act establishes a Capital Account which consists of two funds, the Capital Fund for the purposes of accumulating capital for investment and the General fund for the purpose of providing moneys for other purposes of the Act. Moneys paid into the Capital Fund are:

- (a) any moneys appropriated by law for the purpose of providing capital for investment; and
- (b) any moneys received by the Commission by way of or as a result of a gift, devise or bequest that in the opinion of the Commission are appropriate to be paid into that fund.¹⁷

The purpose of the Capital Fund was described by Senator Bonner in his second reading speech for the Aboriginal Development Commission Bill¹⁸ as providing a permanent capital asset for the use and benefit of the Aboriginal people which will provide a further opportunity for the Aboriginals to accumulate assets. He went on to say that the Capital Fund would operate as an accumulating investment account and the moneys appropriated to the Capital Fund would not be available for distribution by the Commission to its programs and administration but the income received from that investment would be available. It was expected that the Capital Fund would lead to independence from Government funding.

3.08 Australian Government contributions to the fund to date have been as follows:¹⁹

| 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
|---------|---------|---------|---------|---------|
| \$10M | \$9M | \$1M | - | - |

This should be seen against contributions to the General Fund over the same period:

| 1980/81 | 1981/82 | 1982/83 | 1983/84 | 1984/85 |
|---------|---------|---------|---------|---------|
| \$13.8M | \$47.8M | \$50.4M | \$58.9M | \$66.1M |

In the first year of ADC operation the appropriation to the Capital Fund represented a significant proportion of the total appropriation to the ADC but since then has declined to zero for the years 1983/84 and 1984/85. The ADC are hopeful that the Government may provide larger amounts as the bicentenary approaches²⁰ but realistically the goal of independence from Government funding appears to be far in the future.

3.09 Of the \$20M appropriated to the fund, \$16M has been invested in interest bearing securities at a 1983/84 average rate of return of 15.56% and \$4M was invested in Bonner House on 18 December 1981, the building having an estimated value at 30 June 1984 of \$6.9M.²¹ Whilst the interest rate achieved on the fund

is superficially good, account should be taken of general inflation rates over the period in which the interest has been earned. The implicit GDP deflators [usually taken as the appropriate measure of inflation for capital investment purposes] for the periods 1981/82, 1982/83 and 1983/84 were 10.3%, 10.9% and 7.2% respectively.²² Hence the real rate of interest achieved was approximately 5% for the first two years and 8% for 1983/84. Unless:

- (a) the government makes increasing contributions to the Capital Fund to at least match the rate inflation; or
- (b) the ADC spends only the real interest component of its return; or
- (c) the ADC invests in a sophisticated portfolio of interest bearing and capital growth assets,

the real value of the Capital Fund will continue to decline. The management of a mixed portfolio required in option (c) above requires a degree of expertise beyond that available to the ADC and in fact is made more difficult by the restrictive nature of the investment allowed under the Act.²³ In this context it is worth noting that the investment performance of government managed superannuation funds in the Commonwealth, New South Wales and Victoria has recently come under criticism.

3.10 As the purpose of the Capital Fund is to provide a permanent capital asset for the use and benefit of the Aboriginal people the Committee recommends:

Recommendation 5: Greater emphasis should be applied within the Capital Fund to acquisition of assets more directly concerned with Aboriginal purposes.

It is suggested that these be real assets associated with the Land Acquisitions program which is providing direct, tangible assets for the use and benefit of the Aboriginal people which should appreciate in value over time as well as providing a source of income.

CHAPTER 4

GENERAL ADMINISTRATIVE AND STAFF MATTERS

General Administrative Matters

4.01 In examining the administrative operations of the ADC, the Committee found that even those individuals and organisations most supportive of the ADC's work, had criticisms of the way it was administered. These criticisms, the Committee noted, were not new: a most extensive analysis of the ADC's administrative shortcomings was prepared by Ferris Norton and Associates Pty in March 1982.¹

4.02 The Ferris Norton Report indicated that the 'Central office [of the ADC] has become 'all things to all people'... It attempts to serve as the policy formulator, data collector and evaluator and decision disseminator and implementer... As such Central office has become cumbersome and unwieldy creating unnecessary time delays, taking inadequate advantage of opportunities and receiving grudging co-operation from field staff'.² The Report recommended, among other things:

- . restructuring of the Commission with a small central office and a strong policy of decentralisation;
- . better communication within the ADC, particularly through the proper consideration of policy and program initiatives and the compilation of policy manuals and comprehensive operating instructions;
- . the drawing of a distinction between the roles of the Chairman [external and long term issues] and the General Manager/Administrator [monitoring and controlling all operations];

- . reduction of the very high level of unproductive time spent by Commissioners at regular meetings in dealing with routine operational matters and an increase in the amount of time spent by Commissioners on issues of corporate planning and strategy.³

4.03 The ADC has, evidently, made some attempts to implement aspects of the Ferris Norton Report. However, these efforts seem to have been limited and frequently unsuccessful. The Committee had drawn to its attention instances of administrative inadequacies in the ADC which ranged from minor irritations to serious failures in administration which hampered the ability of the ADC to fulfill its functions. These included:

- . failure to respond to applications and correspondence;
- . loss of documents or record keeping which was so poor that the ADC could not be certain of having received or not received particular papers and could not trace submissions placed before Commissioners;
- . inadequate financial control systems for loans which contributed to a serious arrears problem;
- . poor record keeping related to a Commissioner's interests register;
- . uncertainty about eligibility criteria for some assistance programs;
- . inadequate evaluation and monitoring of projects and programs; and
- . severe resource shortages at the area officer level.

4.04 It must be acknowledged that the ADC itself is extremely conscious of these difficulties and that the energies of the newly appointed Chairman, Mrs Shirley McPherson, and Administrator, Mr Rob Winroe have been directed to measures which will reduce some of these problems. Mrs McPherson made clear the extent of her concern and of the sweeping nature of the steps that have been taken during the Committee's inquiry to improve the ADC's administration:

'.... one thing we have initiated since I became the Acting Chairman and Mr Winroe has become the Administrator, is to put into process the Housing and Enterprise Loans [HAEL] System and also the Rural Accounting and Management [RAM] computer system. In the throes of doing this we have had great consultations with our internal auditors, Coopers and Lybrand, and in consultation with them we are reorganising the finance division of the ADC. We are upgrading the Commission's personnel recruitment and manpower planning capacities. We are recruiting top qualified staff starting from, as I said, the Administrator downwards. We are restructuring the land and enterprise branch because I heard during the hearing how we have got such a high failure in our enterprise section. One area which we have been vigorously pursuing with the Minister and anyone who will listen to us, is our lack of staffing.... We are restructuring the policy branch to provide a capacity to review and implement a corporate plan to formulate and review policy and program performance standards. We are going to provide mechanisations to assess the social and economic benefits of programs and to monitor procedures ensuring compliance with policy objectives. The installation of the HAEL and RAM systems will not only implement efficiency, they will also help with the monitoring and performance. We are developing a strategic plan for the overall improvement of the Commission's EDP facilities. We intend to re-establish the capacity to provide in-house training for the ADC staff, which we are going to do in conjunction with the Department of Aboriginal Affairs, and will also continue on from that to client training, of which we have become very much aware, particularly with our stores.'⁴

4.05 The Committee recommends:

Recommendation 6: High priority should be given to completion of the development of systems for monitoring the programs of expenditure. Examples are the Rural Accounting and Management System and the Housing and Enterprise Loans system. Such systems should ensure regional and sub-regional accountability and be instituted to strengthen the decentralisation of ADC personnel at these levels.

In view of Mrs McPherson's comments, the Committee believes that early implementation of this recommendation is possible and that the use of these systems will contribute to the exercise of better controls over ADC programs.

4.06 The Committee also recommends:

Recommendation 7: A much more rigorous filing system of submissions for projects requiring Commission approval should be instituted.

Role of Commissioners

4.07 As noted in paragraph 4.02, the Ferris Norton Report drew attention to the unproductive time spent by Commissioners on routine administrative detail.⁵ As Mrs McPherson commented:

'From my experience as a Commissioner.... you are left with huge files every six weeks.'⁶

4.08 The Committee strongly supports the views of the Ferris Norton Report on this matter and recommends:

Recommendation 8: The role of Commissioners should be to:

- . Monitor the ongoing performance of the Commission
- . decide policy issues
- . approve projects/activities beyond the delegated authority of Commission staff.

Exercising this role should lead to a reduction in the amount of material presented to Commissioners for meetings and the material should be confined to:

- a) brief reports of activities - current period and year to date including progress reports of major ongoing projects;
- b) policy papers; and
- c) submissions on projects/activities beyond the delegated authority of Commission staff.

The Committee believes that implementation of this recommendation will also serve to distance Commissioners from day to day operations of programs which involve, for example, the allocation of loan or grant funds. A separation of powers of this type is common in organisations providing grants and loans and serves as an important measure to protect Commissioners of such organisations from suspicions or allegations that they have exercised their influence on behalf of individual fund recipients. The Committee sees no reason why Commissioners of the ADC should not be afforded this protection.

4.09 Similarly, a well kept register of Commissioner's interests protects Commissioners from allegations of failure to declare interests. The Committee therefore recommends:

Recommendation 9: A chronological register of interests of Commissioners should be maintained with the obligation placed on Commissioners to update the register as interests are changed.

ADC Legal Action on Behalf of Commissioners

4.10 The Committee received evidence ⁷ regarding a number of defamation actions taken by the ADC on behalf of Commissioners including the Chairman of the ADC. The Committee was disturbed that there had been several of these actions, far more than in comparable statutory authorities, and questioned whether some of the actions should have been the responsibility of the individuals involved rather than the ADC. The Auditor-General has recently advised the Committee ⁸ that he has initiated an investigation into some aspects of these legal actions. The Committee believes the Auditor-General's Office is the appropriate authority to investigate this matter and has therefore made no recommendation in this interim report. It will, however, seek information on the outcome of the Auditor-General's inquiry and may take this matter up in the more detailed report it has foreshadowed.

National Aboriginal Conference [NAC] Car Loans

4.11 By a notice under paragraph 8(g) of the ADC Act on the 27 March 1982, the then Minister for Aboriginal Affairs, Senator Baume, determined that it would be a function of the ADC to make loans to members of the NAC for the purchase by them of motor vehicles or boats for use by them in connection with the performance of their function as members of the NAC. Between April and October 1982, 27 loans were made to NAC members under this determination. After October 1982 no further loans were made as loan periods were generally spread over the remaining terms of the NAC members to whom they were made and, by October 1982, most members had only two years or less remaining. A total of \$231 200 was lent for these vehicles and loans were made at an interest rate of 5% over varying terms up to three years. It is understood that a further program of loans has been suggested and consideration of this has been deferred until it can be established that the NAC members will have the capacity to repay the loans, given their remaining terms of office which are approximately 4 to 6 months. Although repayments of these loans, which are deducted from NAC members' salaries, appear to have been made at a satisfactory rate, it is the view of the Committee that this function is an inappropriate one for the ADC and that alternative arrangements should be considered for transport assistance to NAC members, similar to those available to Federal parliamentarians. The Committee therefore recommends:

Recommendation 10: The ADC should not have the responsibility for providing motor vehicle loans to NAC members and that the NAC should take this matter up with the Minister for Aboriginal Affairs with a view to satisfactory transport allowances being made for members.

Staff Matters

4.12 Evidence from the current Chairman of the ADC, Mrs McPherson reiterated that provided by the former Chairman, Mr Charles Perkins and by the Administrator, Mr Rob Winroe:

'I would like to re-emphasise the very real difficulties encountered by the Commission in its first four years of operations resulting from totally inadequate manpower resources. I make this point based on my personal experience as a Commissioner for the past two years. With the benefit of hindsight it is clear that the Commission attempted to do too much in a short amount of time and to some that may appear to be wrong but I do not think so. The ADC has a clear statutory responsibility and I feel a very strong moral responsibility to deliver as fully as possible its advancement programs to the Aboriginal community, the most socially and economically disadvantaged group within Australian society. I cannot help but feel that the ADC was established to work wonders on the cheap, a view that is shared by fellow Commissioners and Aboriginal organisations Australia-wide.'⁹

4.13 This view is also shared by the Administrative and Clerical Officers Association [ACOA], the union to which many ADC employees belong. Mr Doyle, National Senior Industrial Officer of the ACOA, in responding to a question during the Committee's hearings about whether the low staffing levels had led to increased stress among ADC staff said:

'I have never been aware of another government agency in which the manifestations of stress have been as frequent as they have been amongst our membership in the ADC. The information that I have on that comes almost entirely from - I would characterise them as rather desperate - letters from members, totally unsolicited, who have written saying: "We simply need help; we cannot go on". They have, on a number of occasions, given instances of both themselves and their co-workers suffering stress-related diseases, up to and including at least one heart attack and the unravelling of their private lives and family lives.'¹⁰

4.14 Mr Doyle also indicated that the problem was most severe at the area officer level and that the systems based solutions the Committee has proposed at Recommendation 6 could not work without staff to operate such systems:

'.... when you look at the disposition of the staff that are available [to ADC] there is no question that the area offices are the worst off;

the regional offices are the next worst off, and the Central Office, relatively - and I stress that - is best off. But, having said that, I would not want that answer to be interpreted in any way as to mean that ACOA would be in favour of redistributing the available pool of staff. I do not know whether you are aware that the ADC was asked to provide a list of what it considered to be essential positions over and above those in which it presently has staff. Clearly, the majority of those essential positions were to be found in the area and regional offices. Nevertheless, for example, having acquired a computer facility... there was nobody to pedal it. So there were some additional, critical, essential positions for Central Office.¹¹

4.15 The evidence provided to the Committee indicated that there were three main reasons for the staffing inadequacies experienced by the ADC:

- (i) staff ceilings imposed by Government on the ADC were very low;
- (ii) staff turnover was high; and
- (iii) it was difficult for the ADC to attract high quality staff.

4.16 With respect to the staff ceiling levels at the ADC, the Committee was convinced that these were extraordinarily low. In September 1983 the ADC staff level stood at 54.4% of establishment and by March 1984 this level had increased to 58.3%.¹² Mr Doyle of the ACOA suggested that 'there is not another agency... that is worse off for staff in the whole of the Commonwealth employment area in terms of staff to establishment.'¹³ There was some disagreement, however, as to why this situation had arisen. Section 33(1) of the Aboriginal Development Commission Act 1980 states that 'the Commission may engage such employees as are necessary for the performance of its functions under this Act.' These powers seem sufficiently wide to enable the ADC to determine its own staff numbers as do other statutory authorities such as the Australian Broadcasting Corporation and Trans Australia Airlines.

4.17 Nevertheless, evidence from the ADC¹⁴ and from the Public Service Board¹⁵ indicated that successive Commonwealth Governments had held the view that staff ceilings should be applied to the ADC and that the ADC had accepted this view and tailored its arrangements accordingly. The argument as to whether the ADC should or should not be subjected to such staff ceilings has become an academic one as a result of changes to Public Service staffing arrangements in June 1984. These arrangements will remove staff ceilings as such and will, in effect, enable departments and authorities to employ staff as required within certain funding limits. In this way the ADC will, subject to the availability of funds, have greater flexibility to operate as envisaged in section 33(1) of its Act. Some qualifications to this freedom will, however, still apply through the Department of Finance and the Committee believes the ADC should receive minimum restriction from these. It has, therefore, recommended:

Recommendation 11: The Committee recognises that there are particular staffing difficulties in organisations such as the Commission and that standard ratios of staffing to expenditure should not necessarily apply. The Government should clarify the provisions of section 33(1) of the ADC Act 1980 as to whether the Commission's staff levels are subject to direct Government regulation.

Recommendation 12: The Commission should be given greater freedom to employ the number of people at classifications it sees as necessary to carry out its functions, and be able to self determine the proportion of its budget devoted to staffing and administration expenses.

4.18 As noted in paragraph 4.15, the staffing problems of the ADC have not only been related to total staff numbers. The effect of low staff ceilings has been exacerbated by high staff turnover and the inability of the ADC to successfully recruit the staff it desires. High turnovers have been related to both 'poaching' of Aboriginal staff by other organisations as well as to the extreme pressure of work referred to in paragraph 4.13. The Committee believes that the greater freedom from staff

ceiling pressure proposed in Recommendation 12 and the expansion and co-ordination of training programs, particularly for Aboriginal staff, between the Department of Aboriginal Affairs and ADC will improve this situation in the medium to long-term.

Training Matters

4.19 Section 8(d) of the Aboriginal Development Commission Act states that one of the functions of the ADC is 'to assist in the training of Aboriginals in relation to matters related to the functions of the Commission'. The Committee is strongly of the view that this provision of the Act gives the ADC the responsibility to provide training for Aboriginals in relation to land ownership, business enterprises, housing ownership and management and in the operation of the ADC itself. Mr Charles Perkins, former Chairman of the ADC and currently Secretary of the DAA did not share the Committee's view:

'The ADC believes that overall responsibility for training lies with the Departments of Aboriginal Affairs and Employment and Industrial Relations. Even though the ADC does have power under section 8(d) to assist in the training of Aboriginals in relation to the functions of the Commission, in fact, funds have remained with the Department of Aboriginal Affairs in its Training Vote. In addition, the ADC has not had the manpower resources for training. These have also remained at DAA. So we really have not been able to fund heavy training programs. They have all become too involved and it is not our responsibility.'¹⁶

4.20 Training has clearly not been an important ADC priority: less than 0.1% of its annual expenditure was devoted to training in 1981/82 and 1982/83 and only 0.1% was allocated to training in 1983/84. Representatives of the ADC indicated that major difficulties had been encountered in finding staff to carry out training programs¹⁷ but, most importantly Mr Perkins reiterated that training was simply not seen as really necessary even when management of large segments of ADC funds was involved:

'I do not think we ever considered that question [of training as a priority] to the extent that you are identifying it at this moment. We did consider that training was an important question, and we do the best we can with limited resources. We did also believe that lots of Aboriginal people conducting enterprises were doing the best they possibly could and were doing a very good job; for example, on housing associations. But we did not consider ourselves to be a training institution.'¹⁸

4.21 The Committee believes that training is one of the most important of the ADC functions, that it will help to ensure the most effective use of expenditure in ADC program areas and that it is an important tool in promoting Aboriginal self-management. The Committee therefore recommends:

Recommendation 13: The training process should be considered as an integral function of other Commission responsibilities so that funding of housing and enterprise programs can be linked with associated training programs. This is considered to be particularly important in the case of enterprise programs where the basic skills are best learnt on the job rather than in an institutionally provided course. The emphasis on acquisition of enterprises should switch from acquisition per se, to acquisition linked to training and development opportunities.

Training Opportunities

4.22 In the assessment of projects the ability of the local community to support the project should be assessed and where necessary, appropriate training programs should be designed to ensure that Aboriginal employees and directors of projects have the skills necessary to conduct the enterprise. The Committee believes that the ADC should utilise the resources of Technical and Further Education colleges in designing and providing these training programs.

Employment Terms

4.23 Higher staffing levels and more training programs will, however, have a more limited impact on the general standard of staff attracted by the ADC. As described by the Administrator, Mr Winroel¹⁹, these standards are often very low. Mr Alan Chapple, the representative of the Public Service Board outlined the reasons that many public servants find employment with statutory authorities unattractive in the following terms:

'I think one of the disadvantages of statutory authorities is that they are seen as separate, self-contained and isolated from the mainstream of the Public Service. There are mobility provisions which enable public servants to be employed by statutory authorities of this kind, and there are provisions which enable them to return to the Service. But there are some limitations in that. A public servant going to the Commission under the mobility arrangements has the right, within the first three years, to elect to return to the Service as an unattached officer at his previous substantive level. If he is promoted during his period within the Commission, he is not entitled to return to the Public Service proper at his new level. The three years can be extended in cases, but generally speaking beyond the three-year period he does not have that right of automatic return to the Service. He then has to compete for promotion or transfer on his merits back into the Service. It may well be that some public servants, particularly non-Aboriginal public servants - given the policy of Aboriginalisation - may find in those circumstances that work with the Commission is an unattractive idea, even though there is an attempt to provide safeguards for them in maintaining their status within the Public Service proper. They may, for example, if they are working in the Commission, apply for promotion back into departments without necessarily having to take up duty. Some people think that departments would be reluctant to promote such people under those conditions. In that event there are appeal rights and so on. There is an attempt to facilitate this kind of mobility from Public Service Act areas into statutory authorities. There is not a comparable process in the reverse direction.'²⁰

4.24 The Committee has therefore recommended:

Recommendation 14: The majority of persons employed by the Commission should be employed under the Commonwealth Public Service Act with provision for employing a smaller number (say 20% - 30%) outside the provisions of the Act.

Mr C W Tuckey has dissented from this recommendation - his dissent is recorded on page 55.

4.25 As well as promoting greater mobility between the general Public Service and the ADC, this step, the Committee believes, will give the ADC greater access to the resources of the Public Service Board for training, particularly that related to Aboriginalisation, and to other PSB resources which will help promote efficiency within the ADC

Area Officer Networks

4.26 The final staffing issue the Committee wishes to comment upon in its interim report is area officer networks. There was some suggestion in evidence given by Mr Winroe²¹ that consideration was being given to combining the DAA and ADC area officer networks so that the ADC and the DAA would be represented by the same person at area offices. The Committee has not supported an amalgamation of this type. The distinction between the welfare-oriented functions of the DAA and the development functions of the ADC should be clearly maintained and emphasised and, in many respects the most important place for this distinction to be established is the local level. There is also the problem that, should staff shortages develop in a combined area officer service, it is likely that welfare related services will be given priority over development projects.

4.27 However, the Committee found that the existing area office network structure did not reflect existing needs within the Aboriginal community. Recipients of Aboriginal program funds are part of a small, widely scattered, population. Area officers should have the capacity to deliver, monitor, supervise and report back on projects to the Central ADC office. Development of

this capacity may involve some expansion of the area officer service and it is possible that this can be satisfactorily achieved by the decentralisation of staff so that a higher proportion is deployed at the local level. Another factor in an improved area officer service could be a less rigid division of responsibility between the DAA and the ADC. It may be appropriate in some circumstances where particular expertise exists for DAA staff to assume ADC responsibilities or vice versa.

4.28 The Committee noted that duplication of offices and office support systems for DAA and ADC area officers did not really serve a useful purpose and has therefore recommended:

Recommendation 15: The Department of Aboriginal Affairs and the Commission should maintain separate area officer networks but the administrative resources available to officers of both organisations should be rationalised and integrated.

4.29 These recommendations, the Committee believes, will contribute to a better use of the resources available to the ADC.

CHAPTER 5

HOUSING PROGRAMS

Consolidation of Housing Programs

5.01 The ADC operates two major housing programs: a program of housing loans to assist Aborigines to obtain housing finance; and a program of housing grants which assist Aboriginal organisations [not individuals] to build or purchase housing. Housing programs are the largest single area of ADC activity: in 1984/85 these two programs represented 79% of total ADC program expenditure. As noted in Chapter 1, a separate Aboriginal housing authority has been proposed but not, as yet, established.

5.02 The Committee has argued that further fragmentation of the delivery of Aboriginal programs has significant disadvantages [see Recommendation 2]. At present some fragmentation exists. For example, DAA retains responsibility for services associated with Aboriginal community housing; and the ADC has the responsibility for providing grants for the construction of the houses. The negative effects of this were obvious to the Committee during its inspections, particularly in the rural Aboriginal communities. The Committee therefore, as noted above, opposes the establishment of a further authority and supports the proposal of the ADC.¹ The Committee therefore recommends:

Recommendation 16: The Grants-in-Aid Housing program should remain the responsibility of the Commission.

Recommendation 17: The Commission should take over from the DAA responsibility for the supply of services associated with housing: water supply; sewerage; power. In addition services such as the home-maker scheme, which is training in the process of running and caring for a home and therefore not strictly a welfare function, should also become the province of the Commission.

Maintenance of Existing Housing Stock

5.03 Aboriginal authorities which receive housing grants have a responsibility to administer the houses built with these funds and are required to select tenants for the houses, collect rents, pay rates and insurance and to carry out repairs and maintenance. The program is clearly one that offers considerable opportunity for Aboriginal self-management and for the development within Aboriginal communities of management skills. It is, however, one of the programs that depends most heavily on the availability of area officers to maintain communications with housing co-operatives or societies and to help in the development of new proposals and administration of existing housing stocks. During its inspections the Committee found several situations where Aboriginal housing authorities had been less than fully effective in administration and maintenance of the existing stock of housing.² The Committee believed that consolidation of the ADC's area officer network [as recommended elsewhere] and training for the officials of Aboriginal housing authorities could significantly improve this situation. It has therefore recommended:

Recommendation 18: Maintenance of the existing stock of housing should receive more attention:

- a) by way of training programs within communities in simple house maintenance tasks associated with the home-maker programs or care of houses and equipment; and
- b) by taking into account in the allocation of funding for new housing, the performance on rent collection and house maintenance of the existing stock of housing.

Housing Loans Program

5.04 With respect to the ADC's housing loans scheme, the Committee was disturbed to note that in recent years a significant proportion of these loans had been made to

Aboriginals receiving higher than average incomes, indeed in 1982/83, 27% of recipients had incomes above average weekly male earnings. The Committee is strongly of the view that this program should be restructured so that assistance is directed to those who, although they have sufficient income to maintain a house, are the most disadvantaged in obtaining finance from other sources. The program's interest rates for those on high incomes should not, therefore, be lower than those offered by other lending institutions and these people should be encouraged to borrow from other institutions so that a greater proportion of ADC funds is available to assist those who would not qualify for loans from any other source.

5.05 The Committee was told by a representative of the ADC³ that insufficient funds are available for housing loans. The Committee believes that a restructuring of the program could significantly reduce the backlog of loan applications and promote opportunities for assisting people on low income. It therefore recommends:

- Recommendation 19:** The interest rate and eligibility structure for the housing loans scheme should be restructured to ensure those most in need have highest priority for low interest loans. The restructured scheme should have the following features:
- loan interest rates should be tied to bank home loan interest rates, rather than be fixed rates as at the present time;
 - a discount structure should be established such that the discount from the bank lending rate is a function of the Average Male Weekly Earnings of the person applying for the loan or some other suitable indicator;
 - persons in the higher earning categories should receive no discount at all. Persons in this category should not be eligible for loans if there is unsatisfied demand by lower income earners;

- . Criteria for eligibility for loans at concessional interest rates should be broadly consistent with those applying in other comparable assistance schemes.
- . the requirement for borrowers to have been rejected by a lending institution should be abolished;
- . loans at concessional interest rates for all housing loans should be subject to regular, say, biennial or triennial review to check whether the circumstances of the recipient have changed to the extent that a revised interest rate can be charged;
- . one lending institution should operate as the Commission's agent for the scheme.

5.06 During hearings the Committee had drawn to its attention the provisions of the ADC Act relating to housing loans. Under the Act's provisions the ADC does not have the power to offer housing interest rate subsidies. Its ability to provide loan guarantees is also limited because banks seek combined guarantees and indemnities and the ADC Act does not include indemnification powers.⁴ Although the Committee accepts the ADC view⁵ that indemnification powers should not be sought, it believes the ADC should seek to maximise the benefits from its necessarily limited housing loan funds by providing guarantees and second mortgages. The Committee therefore recommends:

Recommendation 20: To stretch the current housing loan allocation over a wider number of people, schemes such as loan guarantees modelled on the Housing Loans Insurance Corporation from commercial lending institutions and supplements to commercial loans through low interest second mortgages should be urgently pursued. In this way the housing loan monies available to the Commission would be used to supplement funds available from other institutions rather than replace them.

5.07 The Committee noted that 25% of ADC housing loans were in arrears. Although the Committee accepted that, as a lender to a disadvantaged group and, in effect a lender of last resort, the program could be expected to have a high rate of arrears, this level did seem excessive compared to, for example, that of building societies of approximately 2-3%. This view was supported by Mr O'Brien of the ADC⁶ who noted that the arrears level and been a matter of concern to Commissioners and that investigation by the ADC had indicated major reasons for the problem were the shortage of area officers and regional staff and the inadequacy of computer arrangements to monitor the program. The Committee believes improved administration of this program would be of significant financial benefit to the ADC. It therefore recommends:

Recommendation 21: The arrears position on housing loans is serious. Tighter administration of loans would improve this situation. In particular, implementation of the Commission's computer program for loan processing should be given high priority.

5.08 The Committee's recommendations on the ADC's housing schemes are, in this interim report, necessarily brief and superficial. Nevertheless, the Committee believes that the principles it has outlined should be incorporated in a restructured scheme and would recommend to the ADC a thorough examination of Commonwealth and State Government home loan schemes which address the housing needs of low and medium income earners in Australia such as the First Home Owners Scheme, the Home Deposit Assistance Scheme and the Commissioner for Housing Loan Scheme which operates in the Australian Capital Territory.

CHAPTER 6

LAND ACQUISITION PROGRAMS

ADC Act and Land Acquisition

6.01 The ADC is empowered to acquire land for social purposes under section 23 of the Act or for enterprise purposes under section 24 of the Act.¹ The following table indicates the numbers of properties that have been acquired for social, economic and mixed social/economic purposes.

TABLE 6.1

PROPERTIES ACQUIRED BY PURPOSE

| | <u>No of Properties</u> | | <u>Value at Acquisition*</u> | |
|--------------------------|-------------------------|-------|------------------------------|-------|
| | | (%) | \$ | (%) |
| Social Purposes | 42 | (46) | 3,246,967 | (24) |
| Economic Purposes | 4 | (4) | 589,544 | (4) |
| Social/Economic Purposes | 45 | (50) | 9,974,036 | (72) |
| TOTAL | 91 | (100) | 13,810,547 | (100) |

*Some properties were gifted to the ADC at no cost to the Commission, and their value is not included here.

Source: ADC information, Exhibit 21, p.26

It can be seen that 50% of the properties by number and 72% by value have been acquired for mixed purposes and only 4% by number and value for purely economic purposes. Thus 96% of property acquisition has at least some social implication.

Criteria for Social Value of Properties

6.02 Despite the predominance given to acquisition for social purposes, the Commission has advised that it has no criteria for social value for such acquisitions,² and Mr Perkins has alluded to the subjective nature of such assessments.³ Nevertheless, the Committee can point to apparent wide variations in social value of properties visited in the course of its inspections. On the one hand Yandeyarra station near Port Hedland in Western Australia provides a basic home for about 200 people and employment for 30 or 40.⁴ Yandeyarra is owned by the WA Lands Trust and leased to the Mugarinya Community. It is Crown land gazetted as a reserve. On the other hand, the Nardoola property near Moree in New South Wales was acquired primarily for social purposes. A consultant's report recommended against acquisition on economic grounds.⁵ If acquisition was to take place, the consultant suggested that the property should be purchased bare for no more than \$355 000 and that an additional \$662 570 would be required for new plant, stock and development. The Commission originally rejected the application by the Gwydir Property Aboriginal Corporation to acquire the property but following further representations from the Moree community, agreed to the acquisition. In the event, the property was purchased for \$581 000 on a walk-in walk-out basis.⁶ In the course of an inspection in the Moree area⁷ the Committee noted that the property employs a manager only, on a full-time basis, and that the Moree community at a public meeting claimed that very few people made use of the property as it was too far out of town.

6.03 The Commission believes Nardoola is fulfilling the following social purposes:

- . 'The Nardoola property provides a valuable asset for the Aboriginal community of Moree whether it is used now or in the future;
- . Nardoola is managed by an Aboriginal and therefore provides scope for Aboriginal management, employment and training; and
- . Nardoola has also accommodated a Commonwealth Employment project.'⁸

The Commission also admits the following problems are associated with the property:

- . 'However the difficulties in developing the property have been greater than the community anticipated. There has been dissension in the Moree community over who should gain paid employment at the property. The great interest of the community in the property prior to purchase has diminished. With the community's consent the resources invested in Nardoola might be used for some other purpose in the future, such as a community centre in Moree.'⁹

The above rather specious social purposes for the Nardoola acquisition can be contrasted with the obvious residential and employment advantages of Yandeyarra. The contrast between these two examples is such that the Committee strongly recommends:

Recommendation 22: The Commission should develop criteria for social value for properties bought either wholly or largely for social purposes in order that priorities can be allocated for purchase and disposal of such properties.

Further, Nardoola provides an example of a property where economic criteria are unlikely to be met and the Committee recommends that:

Recommendation 23: Reasons for acquisition of properties falling in the 'social/economic' category should be clearly defined before properties are purchased.

Recommendation 24: Those properties meeting neither social nor economic needs should be considered for disposal.

Shortage of Funds for Ongoing Development

6.04 A common complaint on the properties visited by the Committee was the ADC lacked sufficient funds for ongoing investment in plant, stock, fertilisers, etc. This complaint was raised by the manager of the Bohda property at New Angledool, NSW, the manager of the Trelawney property at Tamworth, NSW¹⁰ and in a submission by Mr E F Peachey, manager of Jumbun Ltd.¹¹ In addition the Committee heard evidence that insufficient funding was available for a number of North Queensland properties. One in particular, Ngoonbi Farm, was quoted as having an allocation of \$19 000 for the coming season of which \$18 000 was to cover the manager's wages, leaving \$1000 for operational costs.¹² Another complaint voiced was that funding requirements for agricultural properties are seasonal and that when money came through it was often too late for the particular season. The ADC has recognised the problem and has adopted a moratorium on land acquisition since 1982.¹³ The Committee recommends that:

Recommendation 25: Financial commitments to existing properties should be fully assessed before further land acquisitions are undertaken. Implementation at the Rural Accounting and Management System should significantly assist these assessments.

Transfer of Property Titles to Local Aboriginal Communities

6.05 Of 81 properties listed in the 1982-83 ADC report as having been acquired by the ADC and the former Aboriginal Land Fund Commission, 57 are shown with the ADC being the present lease or titleholder and only 13 shown with the local community being part or full titleholder [the remainder are in the hands of State Aboriginal Lands Trusts or other bodies]. In response to a query as to why the ADC continues to hold so many properties in its own name the Commission stated that most of the current portfolio of properties had been inherited although the Commission had added to the portfolio from time to time. Further:

. At its meeting of 11-14 October 1983 the Commission resolved to approve the outright transfer of property titles to legally incorporated Aboriginal organisations without any restrictions. Transfers would be considered on the basis of merit of each organisation involved and its capacity and willingness to take appropriate measures to ensure arrangements for protection of the land to be incorporated into the constitution and rules of the organisation.

. At their meeting of 12-15 December 1983 the Commissioners approved the administrative requirements which need to be met before the title to properties are transferred to Land Trusts and Corporations. A paper presented to the meeting noted that the cost of transferring the ADC's existing land holdings could well exceed \$500 000, and that it would be necessary to make provision for the expenditure in the Commission's budgets. It was resolved that:

- Regional Directors would be responsible for submissions concerning individual applications to transfer title, which they should base on specified requirements and criteria.

- The Commission would meet all reasonable costs associated with the transfer of titles from the ADC to Aboriginal organisations.

- When transfer of title is to an organisation incorporated under Councils and Association Act the Chairman would advise the Minister of Aboriginal Affairs.

. At their meeting of 9-13 April 1984 the Commissioners resolved to consider submissions from Regional Directors concerning the transfer of titles of ADC held properties to the respective communities and decide which should be transferred.

. Transfer of properties has been impeded because of statutory constraints. Over half of the properties held by the Commission were purchased under s23 of the Act. There are special procedures outlined in the Act, to be followed prior to the transfer of title to Aboriginal corporations. At its meeting of 6-9 August 1984 the Commission resolved that:

- (a) Central Office of the Commission write to all Aboriginal bodies resident on s23 Commission owned properties, asking them to apply to the Commission to be declared Aboriginal corporations as per s43 of the Act. Applications will be referred to Commissioners at Commission Meetings.
- (b) Once (a) has been completed [for each body] the Commission considers transferring title. Each request to be incorporated in a submission from a Regional Director.
- (c) For s24 purchases, each request for title transfer be incorporated in a submission from a Regional Director and presented to Commissioners for consideration. 14

The Committee supports the above action of the Commission and recommends:

Recommendation 26: The transfer to local Aboriginal communities of titles to properties held in the name of the Commission should be expedited.

CHAPTER 7

ENTERPRISE PROGRAMS

ADC Act and the Enterprise Program

7.01 The ADC's responsibilities with respect to business enterprises are covered by section 24 of the Act:¹

Application of General Fund in relation to business enterprises

24 (1) For the purposes of enabling Aboriginals to engage in business enterprises, moneys of the General Fund may, subject to sub-section (3), be applied -

- (a) in making loans [including loans for the purpose of the acquisition from the Commission of shares or stock in the capital of a company held by the Commission] on such terms and conditions as are determined by the Commission;
- (b) in subscribing for, or otherwise acquiring, shares or stock in the capital of a company;
- (c) in making grants of money to Aboriginal bodies on such terms and conditions as are determined by the Commission;
- (d) in the acquisition of property in pursuance of section 28; and
- (e) in making payments in respect of the investigation or supervision of, or the provision of accounting services, management advice or technical assistance for or in relation to, a business enterprise in relation to which -
 - (i) moneys may be, or have been, applied in accordance with paragraph (a), (b) or (c);
 - (ii) a guarantee may be, or has been, given under section 30; or

(iii) property has been, or may be, acquired or otherwise dealt with in pursuance of section 28.

(2) Moneys of the General Fund may also be applied-

(a) in making payments incidental to the application of moneys in accordance with paragraph (1)(a), (b), (c), (d) or (e); and

(b) in meeting any liability under a guarantee given under section 30.

(3) The Commission shall not apply moneys of the General Fund under this section for the purpose of enabling an Aboriginal or Aborigines to engage in a business enterprise unless the Commission is satisfied that the Aboriginal is, or the Aborigines are, capable of engaging in that enterprise.

(4) Where the Commission informs an Aboriginal body to which a grant has been made under paragraph (1)(c) that the Commission is satisfied that the body has failed to fulfil any term or condition of the grant, the body shall be liable to repay to the Commission an amount equal to the amount of the grant, or an amount equal to so much of the grant as the Commission determines.

The enterprise programs associated with rural properties have been discussed in the previous chapter on Land Acquisition. This chapter will concentrate on enterprises associated with communities and commercial enterprises although recommendations about the need at the feasibility stage to thoroughly assess ongoing commitments to enterprises are equally applicable to rural properties.

Priorities Associated with the Enterprise Program

7.02 The ADC has stated that the priority of the enterprise program is to establish business enterprises, as defined by the Act. Such enterprises may comprise profitable Aboriginal-owned and controlled enterprises competing on a normal commercial basis; Aboriginal-owned enterprises with strong social motives such as community stores; and they may create an opportunity to train Aboriginal people in entrepreneurial and trade skills.² It has, stated further that:

'Aboriginal communities determine their own priorities and seek funding of enterprise proposals which they consider they have ability to manage and which meet their particular needs. Some of these proposals are profit-orientated while others largely or purely aim to meet social needs. The latter may include community stores, bakeries and so forth.

Aboriginal needs in this area are diverse, and the Commission merely responds by determining the viability of proposals made to it and funding them as appropriate and possible. The Commission does choose to fund those proposals which have the greatest potential to succeed and meet the wishes of the people. It does not seek to determine what those wishes should be or dictate to communities in this regard.³

The Commission appears therefore not to see a role for itself in determining the priorities of the enterprise program. The Committee believes that the ADC is abrogating its responsibility in this regard and in Recommendation 4 has recommended the formation of corporate goals by the Commission which should include a shift to a program based model for enterprise funding. The Commission itself has stated that the enterprise program takes a disproportionate amount of manpower compared to the funding allocation,⁴ a problem exacerbated by the response model presently operating where investigation of funding applications which are subsequently unsuccessful is equally draining on scarce resources as the investigation of successful applications.⁵ However, some of the problems associated with the enterprise program are not of the Commission's making but relate to programs inherited from the Aboriginal Loans Commission and the DAA.⁶

Success of the Enterprise Program

7.03 The enterprise program is probably the least successful of the activities undertaken by the ADC. Of 315 enterprise loans outstanding at 31 December 1983, 235 or 75% were in arrears.⁷ This situation is made even more serious when the fact is taken into account that these loans are made on very favourable, non-commercial terms, in the first instance. The ADC has advanced the following reasons as to why the program is facing severe problems:⁸

- . inadequate initial project assessment;
- . inexperience of proprietors in enterprise control;
- . insufficient post-funding support from ADC;
- . incompetent or otherwise inadequate management;
- . inappropriate enterprise monitoring; and
- . other factors which may arise from conflict between traditional values and business practice.

The Commission has also alleged that a number of the loans to enterprises inherited from the Aboriginal Loans Commission were employment creation activities and not enterprises per se.

7.04 Despite recognition these problems, the Commission has not maintained tight control over enterprises, believing that such action undermines the ADC policy of fostering self-management and Aboriginal control.⁹ Two issues can be taken with this attitude:

- . the ADC itself is under Aboriginal control so to suggest that its exercising tighter control over enterprises in some way reduces Aboriginal self management is fallacious; and
- . if such action reduced the present high failure rate of enterprises it would be more acceptable in the long run than the demoralising effect of the current failure rate.

Community Based Enterprises

7.05 The Commission has supported a number of smaller, community based enterprises, for example, stores which retail essential commodities such as foodstuffs, clothing and fuel, thus providing goods and services to the community and training Aboriginal people in entrepreneurial and trade skills. These enterprises have a strong social motive and many have failed to trade profitably, requiring additional support from the ADC.¹⁰ Whilst these enterprises may not be successful in a fully commercial sense, they are fulfilling a wide range of social needs. The Committee therefore recommends:

Recommendation 27: The use of the enterprise program to establish facilities such as stores for isolated Aboriginal communities is supported.

However, in funding these enterprises there is a need for the Commission to set realistic financial targets by way of the mix of grant and loan funding given to the communities to establish the enterprises.

Commercially Based Enterprises

7.06 The Commission's record with commercially based enterprises is less satisfactory. The Committee has made a case study of the Keriba Lagau Development Company [KLDC] as a model of large scale commercial enterprise investment made by the ADC. Detail of this investment will be more fully examined in the later report but a number of principles have emerged from the study which will be discussed here.

Background to the KLDC Venture

7.07 The KLDC venture was an attempt by the Commission to apply a program approach to development of a region. Representatives of the Torres Strait Islands and the ADC laid the groundwork for a \$2M development and investment package for the Torres Strait.

'A special planning group comprising mainly Island Chairmen and the ADC's Regional Director and headed by Commissioner Getano Lui Junior were expected to place investment proposals before ADC Commissioners' meetings.

The Planning Group wished to achieve Islander involvement in the fishing industry in the Torres Strait and also wanted to be able to make loans to communities and co-operatives to establish other business enterprises.'11

The initial project was based on the acquisition of the assets of Paluma Fisheries, a Cairns based fishing and mothership operation. Paluma Fisheries was engaged in the sale of fuel and provisions to trawlers and the limited purchase, but largely

carriage on consignment, of marine produce, mainly prawns, to Cairns for storage and subsequent sale. The operation also offered limited freight and agency services to Islanders.¹² The ADC saw the development in the following terms:

'Other projects envisaged for inclusion in the economic package were provision of a ferry service between Bamaga and Thursday Island; development of dwarf coconut plantations on selected islands; the creation of market gardens providing a relatively inexpensive source of fruit and vegetables; establishment of Islander owned community stores; and the replacement of imported building materials with locally-produced materials.

It was anticipated that the benefits arising out of implementation of these proposals would help Islanders achieve greater control over their own resources and create employment opportunities in the Torres Straits. It was expected that this would reduce the need for Islanders wishing to obtain jobs to leave the islands and settle in towns on the mainland.

Proposed developments were also aimed at increasing Islander income and thus reducing their present level of dependence on Social Security and other welfare payments. They were expected to promote health through provision of fresh food and encourage Islanders to develop resources in the Torres Strait in a way which protected the environment while encouraging investment and circulation of an increasing volume of money between Islanders and Islander-owned enterprises.

With specific regard to benefits expected from acquisition of Paluma Fisheries, it was anticipated that this would provide:

- . Training and employment opportunities
- . Transport of stores and other supplies
- . Income from profitable operation
- . Market access for marine produce
- . Limited agency facilities for ordering goods.

With the exception of income derived from profits, the other benefits were, to varying degrees, at various times, largely realised.¹³

Acquisition and Subsequent Operation of Paluma Fisheries

7.08 In the opinion of the Committee, a number of mistakes were made by the ADC in the acquisition of Paluma Fisheries, some of which may be obvious with the benefit of hindsight but may not have been so obvious at the time, particularly given the overall staff shortages and the lack of business expertise in the staff then available to the Commission. Nevertheless, it is believed that they provide a valuable check list for similar future activities by the Commission.

- (a) Failure to obtain expert consultancy in the business being acquired. Competent accountants and lawyers¹⁴ were engaged by the Commission to process the acquisition and an independent valuation of the assets being acquired was obtained,¹⁵ However, no expert outside opinion was sought on the future viability of the business being acquired nor on the viability of the new, intended direction of the business, namely the direct purchase of prawns and crayfish and the development of an export business.¹⁶
- (b) Whilst the Commission received a glowing picture of future profitability of the business in the submission recommending acquisition, the submission did not contain details of the additional capital that was required to achieve that level of profitability. It had been stated by the previous owner, Mr Brett Devine, that \$1-\$2M of working capital would be required for purchase of seafood and additional assets [barges, etc] were also required.¹⁷ These facts were not included in the submission to the Commission.
- (c) Although Mr Devine was retained on a management contract, no attempt was made at least until the business was in severe financial difficulties, to appoint anyone to the Board with expertise in the industry.¹⁸
- (d) Although 'in-principle' approval for the expenditure of the \$2M for a development package for the Torres Strait had been given by the Commission, the approval for the Paluma Fisheries acquisition was only \$500,000. Nevertheless, much publicity was given to the \$2M package¹⁹ with two unfortunate side effects:

(i) the Manager, Mr Devine was led to believe that additional funding would be forthcoming, for the development of the export prawns/ crayfish industry and made commitments for additional equipment out of his own resources;²⁰

(ii) no account was taken of the sensitivity of the local fishing industry [effectively the customer and trading partner of the mothershipping operation] to the acquisition by the ADC and rumours were soon spreading that the ADC was going to put the existing trawler operators out of business.²¹

(e) The aims of achieving a profitable business operation and providing a welfare service to the Torres Strait Islanders became confused and the final statement of the ADC in paragraph 7.06 above should be noted:

'with the exception of income derived from profits, the other benefits were, to varying degrees, at various times, largely realised'

However without the income derived from profits, the venture is now in receivership and the other benefits are largely lost.

(f) Although the ADC appointed three Commission officers as directors of KLDC²² in accordance with the normal commercial practice of a major financier and lender of last resort, it is the opinion of the Committee that these directors did not keep the Commission properly appraised of the performance of KLDC. In particular the import of a report prepared by a firm of accountants [W Schoch and Company] early in 1983 indicating that the Company was likely to trade at a significant loss unless corrective action was taken was apparently never transmitted to the Commission or senior officers thereof.²³

(g) No attempt was made until early 1984 to provide any indemnity for those Commission officers acting in their role as Company Directors.²⁴

In view of the foregoing the Committee makes the following recommendations:

Recommendation 28: Before enterprises are funded those which are to be of a commercial nature should be clearly identified. For such enterprises, the initial emphasis should be on establishing commercial viability; social benefits flowing from the profit generated should be seen as a secondary goal. Confusion of the two aims at an early stage seems to be a reason for failure of enterprises. Boards of enterprises should be limited in number to ensure that the enterprise is not burdened with excessive overheads.

Recommendation 29: The evaluation, feasibility and approval process for acquiring commercially based enterprises should be tightened up to:

- (a) ensure that full feasibility studies containing future cash flow projections are made before the acquisition takes place;
- (b) ensure that reports of the feasibility of the enterprise are obtained from competent, independent persons in the field of the enterprise;
- (c) ensure that both the Commission and the enterprise directly have sufficient managerial expertise available to maximise the possibility of success; particular consideration should be given to these resources in the early years of acquisition;
- (d) recognise that acquisition of commercial enterprises may generate considerable local hostility and ensure that the plan of acquisition takes steps to minimise this hostility when it may be prejudicial to the future of the enterprise;
- (e) appoint outside directors with experience in that industry to the board of the enterprise;

(f) provide on-going monitoring of each enterprise program to ensure that it is achieving its objectives whether social or economic or a combination of these;

(g) prevent funding of the enterprise if resources are not available to provide this monitoring and direction.

Recommendation 30: The roles and responsibilities of Commission officers appointed as directors to boards of enterprises should be clearly spelt out, particularly with regard to their responsibilities to keep the Commission informed of the enterprise's progress compared with plans. Commission officers should be indemnified against action that can be taken against them, for matters other than personal negligence, in their role as directors.

Aboriginal Ownership and Control of Projects

7.09 The ADC has the power under its Act to acquire shares or stocks in the capital of company [refer paragraph 7.01], but it is not compelled to acquire 100% ownership of such company. Nevertheless the ADC has apparently insisted on full Aboriginal ownership and control. For instance the original offer made by the owner of Paluma Fisheries to the ADC was a 49% share in that Company, with himself remaining as managing director, and a board of directors made up of Island people. The offer was for the Company to employ and train Island people.²⁵ Whilst in the case of Paluma Fisheries, other factors such as reduction of the fuel freight subsidy may have led the Company into difficulties in any event, the gradual transfer of ownership and control to Aboriginal hands as expertise is gained is likely in other cases to provide a more sound basis for commercial enterprises. The Committee therefore recommends that:

Recommendation 31: Aboriginal ownership and control of projects should remain a focus of the enterprise program but where Aboriginals have few relevant skills gradual transfer of ownership and control as expertise is built up should be considered.

7.10 Allied to the proposition that ownership and control should pass gradually to Aboriginal people as they gain the relevant skills is one that the ADC is in an excellent position to negotiate with an existing entrepreneur suffering the usual capital constraints often associated with small businesses. Again, using Paluma Fisheries as the model, the previous owner saw the main opportunity of a venture with the ADC as gaining access to capital which was not available to him through other channels at the time.²⁶ The Committee recommends:

Recommendation 32: The joint venture approach whereby the Commission is able to supply capital to an existing entrepreneur and acquire a share of the business (not necessarily a controlling one) in return for a program of employment and training for Aboriginal staff should be utilised.

Training and the Enterprise Program

7.11 Although given responsibility for training under its Act [refer paragraph 3.01] the ADC believes that overall responsibility for training lies with the Departments of Aboriginal Affairs and Employment and Industrial Relations. Further they have stated that funds have remained with the DAA in its training role.²⁷ The Committee believes as indicated in Chapter 4 that the Commission has taken too narrow a view of training and the enterprise function and that a major focus for the enterprise program should be on the job training in business skills and emphasis on the training activity should be given in the initial structuring of enterprises. The Committee recommends:

Recommendation 33: The enterprise function should be considered integrally with the training function so that training in management and entrepreneurial skills is given equal, if not greater importance, than actually acquiring Aboriginal enterprises.

Conversion of Enterprise Loans to Grants

7.12 The Commission has converted [to 19 April 1984] 15 enterprise loans to grants.²⁸ A number of these loans were to social organisations for purposes that could never have been expected to generate income and should have been made as grants in the first instance. They were made as loans for purposes of administrative convenience.²⁹ The ADC has advised that administrative procedures are being changed to obviate the need for this practice³⁰ and the Committee recommends:

Recommendation 34: The necessary changes to administrative procedures to obviate the need in some circumstances to initially make grants to social organisations as loans should be implemented as soon as possible.

7.13 In other instances of the conversion of loans to grants the loan has been made to commercial or rural enterprises that could reasonably have been expected to service the loan. These were:

- . Loans totalling \$78,000 were approved between May 1981 and December 1981 for capital acquisition and operating expenses associated with the Nagadoli Cattle Company. At the meetings of February 1982 and May 1982, this amount was converted to a grant because the Company was unable to service this level of loan funding.

- . A loan of \$100,000 was approved at the meeting of July 1981 for the purchase of cattle and operating capital for Collum Collum Station in New South Wales. At the Commission Meeting of May 1982, approval was given to convert the loan to a grant because the cattle operation did not have the capacity to service loan funding.

- . On 23 March 1982, the General Manager of the ADC approved under delegation a loan of \$20 000 to Pippingarra Pastoral Co., Port Hedland for the purchase of cattle. At the Commission Meeting in August 1982, the approval of conversion of the loan to a grant was given because of hardship caused by low cattle prices and limited income following conversion of the property from sheep to cattle.

On 14 May 1982 at Meeting No 13, the Nardoola Aboriginal Corporation was approved an interest free loan of \$31,000 to grow cereal crops. The loan was to be repaid in one lump sum of \$31,000 by 31 January 1983. At the 18th Meeting, 19-21 April 1983, the loan was converted to a grant. Due to management problems and the severe drought, the cropping program was not successful and no funds for repayment were generated.

- On 2 November 1982, a loan of \$9,724 was approved under delegation for operating expenses associated with a market garden enterprise for the Bundjalung Tribal Society Ltd. At their Meeting of November 1982, Commissioners converted this loan to a grant because the Society could not support loan funding.

18/11/82

- Total loan funding of \$189,000 to Kuyata Pty Ltd [Transcontinental Hotel, Oodnadatta] was converted to grants in December 1983 and January 1984. Of this amount, \$100,000 was for acquisition in 1981. Two managers of the hotel have been dismissed for mismanagement and the hotel operations were left in a very poor liquidity position. New management has achieved substantial financial improvement but the hotel is not in a position to service a high level of loan funding. The loans were, therefore, converted to grants to ensure continued operations and to also be consistent with other property acquisitions by the Commission where grant funds are provided to a level to enable the undertaking to be successfully established and thereafter, to be supported by loan funding when viability is achieved. No action has been taken to effect this decision as yet because additional information is being obtained by the Commission's Regional office which may require a revision of the resolution.

[Other examples in the list of 15 appear to be borderline cases and have therefore been excluded]. The Committee believes this practice is likely to engender a lowering of regard amongst Aboriginal communities for the commercial acumen and seriousness of purpose of the Commission as well as engendering dissension ['If Community X by dint of misfortune or mismanagement can have their loan converted to a grant why can't we?']. The Committee recommends:

Recommendation 35: Under only exceptional circumstances should loans be converted to grants. The Commission should consider rescheduling loans in instances of seasonal hardship or other unforeseen circumstances but where mismanagement has occurred, foreclosure should be instituted.

LEO MCLEAY, MP

October 1984

Chairman

RECOMMENDATION 14 - DISSENT

The ADC Act has as its principal objective the granting of autonomy on decision-making to the Aboriginal people. It should not be necessary to impose Public Service Board staff or auditors upon the Commission to achieve its proper functions. The extent to which the Commission is already inhibited by Public Service controls is an example of the problems that extension to full Public Service coverage would create.

The suggestion that there be persons employed inside and outside the Public Service must create problems including the opportunity to make selective appointments outside the Public Service. Recommendation 14 presumes that the Public Service Board is the repository of the skills and knowledge suitable for the operations of the ADC. I believe the private sector, particularly the merchant banks, would be a better source for many positions.

The suggestion that the Public Service Board would offer protection for Commission employees from improper interference from the Chairman or Commissioners ignores the responsibility of the Minister in his appointment of the Commissioners.

C W TUCKEY, MP

CHAPTER 1

1. Department of Aboriginal Affairs: Report for the period December 1972 to June 1974 [1974 Parliamentary Paper No 299]
2. *ibid*, pp.2-3

CHAPTER 2

1. ADC written response to possible evidence questions [Exhibit No 21] pp.104-109

CHAPTER 3

1. Aboriginal Development Commission Act - 1980 section 8, pp.3,4
2. ADC written response to possible evidence questions [Exhibit No 21], p.1
3. Evidence, p.453
4. Evidence, p.516
5. Exhibit No 21, page 1
6. Evidence, p.451
7. Report on Review of Organisation, Operations and Management; prepared by Ferris Norton and Associates Pty for the ADC March 1980, p.20 [Exhibit No 34]
8. Evidence, p.519
9. Australia, Senate Debates, vol S83 1979, p.2629
10. Evidence, p.577
11. Evidence, p.578
12. ADC Act section 11, p.5
13. *ibid*, section 33, p.15
14. Exhibit No 21, p.105
15. Evidence, p.695
16. Evidence, p.696
17. ADC Act sections 20, 22, pp.9,10

18. Australia, Senate Debates, vol S83 1979, p.2630
19. Exhibit No 21, p.21
20. ibid, p.21
21. Australia, Parliament, Budget Statements 1984-85, Budget Paper No 1, p.35
22. ADC Act section 37, p.16

CHAPTER 4

1. Exhibit 34 (op.cit.)
2. ibid, p.145
3. ibid, section 10, pp.141-158
4. Evidence pp.728-729
5. Exhibit 34, p.155
6. Evidence, p.554
7. ADC Response [19 April 1984] to Committee Questionnaire of 24 February 1984, p.39
8. Mr K F Brigden, Auditor-General, Submission evidence p.309
9. Evidence, p.728
10. Evidence, pp.416-417
11. Evidence, p.429
12. Administrative and Clerical Officers Association, submission evidence, pp.50-51
13. Evidence, p.417
14. Evidence, p.458
15. Evidence, p.633
16. Evidence, p.328
17. Evidence, pp.332,453
18. Evidence, p.332
19. Evidence, pp.753-754
20. Evidence, pp.657-658
21. Evidence, pp.746-747

CHAPTER 5

1. Exhibit No 24
2. Inspections of Moree and Brewarrina, 15-16 May 1984
3. Evidence, p.706
4. Evidence, p. 718
5. Evidence, p. 719
6. Evidence, p. 723

CHAPTER 6

1. ADC Act section 23, p.10 and section 24, p.11
2. Exhibit No 21, p.34
3. Evidence, p.367
4. Evidence, p.3
5. Confidential attachment to information supplied to the Committee by the ADC dated 6 July 1984
6. Exhibit No 21, pp.30,31
7. Refer Appendix I
8. Exhibit No 21, p.33
9. *ibid*
10. Notes of discussions, NSW inspection visit 16 and 17 May 1984
11. Mr E F Peachey, Manager, Jumbun Ltd, submission evidence, p. 236
12. Evidence, p.219
13. Exhibit No 21, p.37
14. *ibid*, p.38,39

CHAPTER 7

1. ADC Act, section 24, p.11
2. Exhibit 21, p.4
3. *ibid*, p.75

4. Evidence, p.523
5. Evidence, p.512
6. Evidence, p.322
7. ADC response [19 April 1984] to Committee Questionnaire of 24 February 1984, p.13
8. Exhibit 21, p.74
9. ibid, p.76
10. Exhibit 21, p.4
11. ibid, p.78
12. ibid, p.79
13. ibid
14. William Schoch and Co - Chartered Accountants, A Kootsookos and Co - Solicitors
15. Valuations obtained from Crosby, Doherty, Pettit and Associates, Consulting Marine Surveyors and Engineers
16. Evidence, pp.798-805
17. Evidence, pp.540-542 and p.587
18. Evidence, p.188
19. See, for example, Exhibit 28
20. Evidence, pp.589, 591, 608, 616
21. Evidence, pp.594, 597-598
22. Exhibit 21, p.87
23. Evidence, p.824
24. Exhibit 21, p.93
25. Evidence, p.587
26. Evidence, pp.586,587
27. Exhibit 21, p.6
28. ADC response [19 April 1984] to Committee Questionnaire of 24 February 1984, pp.27-30
29. Exhibit 21, p.102
30. ibid

CONDUCT OF THE INQUIRY

Hearings and Inspections

It was resolved by the Committee on 7 February 1984 to conduct an inquiry into the Aboriginal Development Commission. A sub-committee under the chairmanship of Mr Stephen Lusher was formed to conduct the inquiry, other members of the sub-committee comprised Mr P.J. Balowin, Mr R.J. Brown, Mr R.V. Free, Mr B.J. Goodluck, the Hon R.J.D. Hunt, Mr L.B. McLeay, Mr A. Morris, Mr J. Mountrord, Mr C.W. Tuckey and the Hon I.B.C. Wilson. The Hon R.J.D. Hunt subsequently resigned from the Committee and hence the sub-committee. On 22 August 1984, Mr Lusher resigned as Chairman of the sub-committee and was replaced as Chairman by Mr McLeay.

The inquiry was advertised in the national press and major metropolitan dailies on 25 February 1984 and in the week commencing 12 March a circular letter advising of the inquiry was forwarded to some 1200 Aboriginal organizations and groups on a mailing list compiled by the Department of Aboriginal Affairs.

On 24 February an extensive questionnaire was forwarded to the Aboriginal Development Commission and a response to this was received by the Committee on 19 April. As a result of this response and issues raised in the course of the first inspection visit a follow-up questionnaire was put to the ADC on 30 May 1984.

The sub-committee carried out the following series of inspections and hearings in the course of the inquiry:

15 May - Moree - inspection of housing program in Moree town and Nardoola property, public meeting with aboriginal community at Moree

- 16 May - Mungindi - inspection of Glanville Aboriginal Training Centre
- Walgett - inspection of Oasis Hotel discussion with Bohaa property directors
- Brewarrina - inspection of town housing program
- 17 May - Tamworth - inspection of Trelawny property
- Sydney (Redfern) - inspection of Aboriginal Housing Company, Chippendale and Black Market supermarket
- 13 June - Port Hedland - public hearing and inspection of Mugarinya Community property and Yandeyarra
- 14 June - Broome - public hearing and inspection of Bidyadanga Community property at Lagrange
- 20 June - Sydney - public/in camera hearing
- 27 June - Darwin - public hearing
- Bathurst - inspection of Tiwi enterprises and community housing
- Daly River - inspection of community housing
- 28 June - Port Keats - inspection of community housing projects
- Hooker Creek - inspection of housing and discussions with community council
- 29 June - Alice Springs - discussion with Tangentyre Council, Central Land Council and Institute for Aboriginal Development
- 30 June - Ayres Rock - inspection of Ininti Store and the Yulara development
- 16 July - Townsville - Inspection of Palm Island community - discussion with community council
- 17 July - Cairns - public hearing
- 18 July - Aurukun - inspection of community housing and store - discussion with community council
- Delta Downs - inspection of property
- 19 July - Mt Isa - discussion with Aboriginal community groups
- 20 July - Brisbane - public/in camera hearing

21 August - Canberra - in camera hearing
 22 August - Canberra - public/in camera hearing
 23 August - Canberra - public/in camera hearing
 24 August - Canberra - public/in camera hearing
 6 September - Canberra - public hearing
 7 September - Canberra - public/in camera hearing
 12 September - Canberra - public/in camera hearing
 26 September - Adelaide - in camera hearing
 26 September - Adelaide - inspections at School of
 Aboriginal Studies, Adelaide
 College of TAFE

WITNESSES

COMMONWEALTH DEPARTMENTS AND AUTHORITIES

| | Dates of Appearance Before Committee at Public Hearings |
|---|---|
| Aboriginal Development Commission | |
| Mr Kevin Clarence Martin, Administrator, Aboriginal Development Commission, Canberra, Australian Capital Territory | 22.8.84 23.8.84 24.8.84 7.9.84 |
| Mr Michael Vincent O'Brien, Assistant Administrator, Aboriginal Development Commission, Canberra, Australian Capital Territory | 22.8.84 23.8.84 24.8.84 7.9.84 |
| Mrs Shirley Anne McPherson, Acting Chairman Aboriginal Development Commission, Canberra, Australian Capital Territory | 23.8.84 24.8.84 12.9.84 |
| Mr Rob Winroe, Administrator, Aboriginal Development Commission, Canberra, Australian Capital Territory | 23.8.84 24.8.84 7.9.84 12.9.84 |
| Mr William Koller, Assistant Administrator, Operations, Aboriginal Development Commission, Canberra, Australian Capital Territory | 24.8.84 7.9.84 |
| Mr Paul Greenhalgh, Acting Director, Policy Development, Department of Social Security and former Acting Assistant Administrator, Policy, Aboriginal Development Commission, Canberra, Australian Capital Territory | 24.8.84 |
| Mr Digby Neville Cardew Wilson, former Principal Legal Officer, Aboriginal Development Commission, Canberra, Australian Capital Territory | 24.8.84 |
| Mr Michael Pope, Acting Director, Policy, Aboriginal Development Commission, Canberra, Australian Capital Territory | 24.8.84 |
| Department of Aboriginal Affairs | |
| Mr George Metcalfe Brownbill, First Assistant Secretary, Department of Aboriginal Affairs, Canberra, Australian Capital Territory | 22.8.84 |

Mr Roy Anthony Jenkins, Assistant Secretary, 22.8.84
Department of Aboriginal Affairs, Canberra,
Australian Capital Territory

Mr Charles Nelson Perkins, Secretary, 22.8.84
Department of Aboriginal Affairs, and former 24.8.84
Chairman, Aboriginal Development Commission, 7.9.84
Canberra, Australian Capital Territory

Australian Audit Office

Mr Keith Frederick Brigden, Auditor-General, 23.8.84
Australian Audit Office, Canberra,
Australian Capital Territory

Mr Thomas Bela Jambrich, Acting Assistant 23.8.84
Auditor-General, Australian Audit Office,
Canberra, Australian Capital Territory

Mr Warren Cochrane, Assistant Director, 23.8.84
Australian Audit Office, Canberra,
Australian Capital Territory

Public Service Board

Mr Alan Chapple, Assistant Commissioner, 6.9.84
Pay and Classifications Division, Public
Service Board, Canberra, Australian
Capital Territory

State/Territory Governments

Mr Ian Pitman, Director, Office of Aboriginal 27.6.84
Liaison, Department of the Chief Minister,
Darwin, Northern Territory

Aboriginal Communities

Mrs Kerry Derschow, Administrative Assistant, 13.6.84
Mugarinya community Association Inc.,
Yandeyarra Station, Port Hedland,
Western Australia

Mr John Charles Knaggs, Housing Manager, 27.6.84
Kardu Numida Inc., Port Keats, Northern
Territory

Mr Edward Frederick Peachey, Manager, 17.7.84
Jumbun Ltd, PO Box 648, Euramo, Queensland

Individuals/Private Organizations

Mr Richard Bardon, Billiluna, via Halls Creek, 14.6.84
Western Australia

Mr Burnam Burnam, 88 Parthenia Street, 20.6.84
Caringbah, New South Wales

| | |
|---|---------|
| Father Brian Matthew Healy, Director, Catholic Missions, Darwin, Northern Territory | 27.6.84 |
| Mr Harold Thomas, 25 Alawa Crescent, Alawa, Darwin, Northern Territory | 27.6.84 |
| Mr Paul David Phelan, Special Projects Manager, Air Queensland Ltd, 62 Abbott Street, Cairns, Queensland | 17.7.84 |
| Mr Horace Raymond Heilbron, 308 Severin Street, Cairns, Queensland | 17.7.84 |
| Mr Loris Sclip, 41 David Street, Machins Beach, Cairns, Queensland | 17.7.84 |
| Mr Laurence Eric Force, Partner, Coopers and Lybrand, AMP Place, 10 Eagle Street, Brisbane, Queensland | 20.7.84 |
| Mr David Anthony Alexander Robb, Partner, Coopers and Lybrand, 24 Marcus Clarke Street, Canberra, Australian Capital Territory | 20.7.84 |
| Mr Ernest Charles Tarr, Ships Master, 133 Twelfth Avenue, Railway Estate, Townsville, Queensland | 20.7.84 |
| Ms Ann Margaret Forward, National President, Administrative and Clerical Officers Association, 245 Castlereagh Street, Sydney, New South Wales | 23.8.84 |
| Mr Richard Stephen Doyle, National Senior Industrial Officer, Administrative and Clerical Officers Association, 245 Castlereagh Street, Sydney, New South Wales | 23.8.84 |
| Mrs Natascha McNamara, Co-Director, Aboriginal Training and Cultural Institute, 14 Jane Street, Balmain, New South Wales | 23.8.84 |
| Ms Margaret Valadian, Co-Director, Aboriginal Training and Cultural Institute, 14 Jane Street, Balmain, New South Wales | 23.8.84 |
| Mr Brett Barry James Devine, PO Box 70, Edmonton, Queensland | 6.9.84 |

Submission No Date Persons/Organization Page No

APPENDIX III

SUBMISSIONS

| <u>Submission No</u> | <u>Date</u> | <u>Persons/Organizations</u> | <u>Page No</u> |
|----------------------|------------------|---|----------------|
| 1 | Undated | Received from J Dyer, Geraldton Western Australia | 1 |
| 2 | 26 February 1984 | Received from Ms M Trumbull, Wooloowin, Queensland | 2 |
| 3 | 29 February 1984 | Received from Mr H Leins, Lightning Ridge, New South Wales | 5 |
| 4 | 2 March 1984 | Received from Mr A Lebrocq, Burntbridge [Sandy Creek], New South Wales - Burnt Bridge (Sandy Creek) Community | 7 |
| 5 | Undated | Received from Mrs V Power, Prospect, South Australia | 8 |
| 6 | 14 March 1984 | Received Mr C Cook, Gerard, Via Winkie, South Australia | 10 |
| 7 | 21 March 1984 | Received from Mr R Bardon, Billiluna, Via Halls Creek, Western Australia - Gerard Reserve Council | 11 |
| 8 | 26 March 1984 | Received from Mr J C Knaggs, Port Keats, Northern Territory | 15 |
| 9 | 23 March 1984 | Received from Mr M Luther, MBE, Hooker Creek, Northern Territory - Lajamanu Community | 19 |
| 10 | 24 March 1984 | Received from Mr L Donoghue, Cardwell, Queensland | 20 |
| 11 | 29 March 1984 | Received from Mr H J Rankine, JP, Point McLeay, South Australia - Point McLeay Community Council | 21 |

| <u>Submission No</u> | <u>Date</u> | <u>Persons/Organization</u> | <u>Page No</u> |
|----------------------|---------------|---|----------------|
| 12 | 27 March 1984 | Received from D W McLeod, South Guildford, Western Australia | 22 |
| 13 | 25 March 1984 | Received from K Derschow, Port Hedland, Western Australia - Mugarinya Community | 25 |
| 14 | Undated | Letter of multiple signatures received from P M Keed, Peak Hill, New South Wales - Peak Hill Aboriginal Community | 27 |
| 15 | 28 March 1984 | Received from Mr N Turner, Woolloongabba, Queensland - Brisbane Tribal Council | 29 |
| 16 | 28 March 1984 | Received from B R Hamilton, Canberra, ACT - Office of the Public Service Board | 31 |
| 17 | 3 April 1984 | Received from Mr P Munro, Sydney, New South Wales - Administrative and Clerical Officers Association | 36 |
| 18 | 3 April 1984 | Received from Mr S Murray, Thornbury, Victoria - Aboriginal Land Council of Victoria | 55 |
| 19 | 6 April 1984 | Received from Mr R Shelley, Rockhampton, Queensland | 64 |
| 20 | 7 March 1984 | Received from Mr Burnam Burnam, Caringbah, New South Wales | 67 |
| 21 | 5 April 1984 | Received from Mr J Hill and Ms J A Wynter, Ayers Rock, Via Alice Springs, Northern Territory - Malpa Trading Company | 69 |
| 22 | 5 April 1984 | Received from Father B Healy, Stuart Park, Darwin, Northern Territory - Catholic Missions Darwin | 115 |
| 23 | 3 April 1984 | Received from Messrs W Whiteman and S Ngakyunkwokka, Aurukun, North Queensland - Aurukun Community Inc | 117 |
| 24 | 11 April 1984 | Received from Ms K Glover, Cloverdale, West Australia | 119 |

| <u>Submission No</u> | <u>Date</u> | <u>Persons/Organization</u> | <u>Page No</u> |
|----------------------|---------------|--|----------------|
| 25 | 12 April 1984 | Received from Messrs S L Rigney and I M Hillock, 'Ralken', Narrung, South Australia | 131 |
| 26 | 12 April 1984 | Received from Air Queensland Limited, Cairns, Queensland | 226 |
| 27 | 19 April 1984 | Received from Mr E F Peachey, Jumbun Limited, Euramo, Queensland | 236 |
| 28 | 16 April 1984 | Received from Ms Dell Burgen, Secretary, Aboriginal and Islanders Welfare Services Committee, Mount Isa, Queensland | 247 |
| 29 | 10 April 1984 | Received from The Chairman, Mulpa Giincha Co-operative Society, Coen, Queensland | 249 |
| 30 | 19 April 1984 | Received from The Secretary and Directors, Bohda Aboriginal Community Association, Goodooga, New South Wales | 250 |
| 31 | Undated | Received from Mr Noel Lockwood (Snr), Coffs Harbour and District Local Aboriginal Land Council, Coffs Harbour Jetty, New South Wales | 251 |
| 32 | 26 April 1984 | Received from Mr Brian Butler, Aboriginal Housing Board of South Australia, Adelaide, South Australia | 252 |
| 33 | 26 April 1984 | Received from Mr J Ah Kit, Director of Bureau of the Northern Land Council, Darwin, Northern Territory | 282 |
| 34 | 2 May 1984 | Received from Minister with Special Responsibilities for Aboriginal Affairs for Western Australia | 285 |
| 35 | 1 May 1984 | Received from Mr Alex Wolf, Santa Teresa, Via Alice Springs, Northern Territory | 286 |
| 36 | 8 May 1984 | Received from The Chief Minister, Northern Territory | 287 |
| 37 | 28 May 1984 | Received from Mr R Isaacs, Aboriginal Lands Trust, West Perth, Western Australia | 294 |

| <u>Submission No</u> | <u>Date</u> | <u>Persons/Organization</u> | <u>Page No</u> |
|----------------------|-------------------|--|----------------|
| 38 | May 1984 | Received from Mr B Nelson, Manager, 'Ferla', Balranald, New South Wales | 296 |
| 39 | 2 July 1984 | Received from T G D Marshall, Landers and Co, Solicitors and Attorneys, Sydney, New South Wales | 298 |
| 40 | 4 June 1984 | Received from Mrs B Philp, Broken Hill, New South Wales | 301 |
| 41 | 2 July 1984 | Confidential Submission | |
| 42 | 10 July 1984 | Received from Mr E C Tarr, Townsville, Queensland | 303 |
| 43 | 13 September 1984 | Received from Mr H C Hennings, Aboriginal Development Commission, Area Office, Townsville | 305 |
| 44 | 19 September 1984 | Received from Mr K F Brigden, Auditor-General, Australian Audit Office | 307 |

EXHIBITS

| <u>EXHIBIT NO</u> | <u>DESCRIPTION</u> |
|-------------------|--|
| 1 | Exhibit Darwin 27 June 1984 - Hardie - System Built Quotation |
| 2 | Exhibit Darwin 27 June 1984 - Answers to possible questions - Submission No 22 |
| 3 | Exhibit Darwin 27 June 1984 - Related to evidence given by Mr H J Thomas |
| 4 | Exhibit Cairns 17 July 1984 - Related to Nawu Dimbi |
| 4(a) | Exhibit Cairns 17 July 1984 - Telex from Housing Co-ops in North Queensland related to lack of ADC supports |
| 4(b) | Exhibit Cairns 17 July 1984 - Related to employment of Mr L Sclip |
| 5 | Exhibit Cairns 20 July 1984 - CONFIDENTIAL |
| 6 | Exhibit Brisbane 20 July 1984 - Related to Board of Directors Meeting, Palm Island Fishing Aboriginal Corporation on 4/10/83 |
| 7 | Exhibit Canberra 21 August 1984 - Related to FOI request re visit Philippines by Mr Perkins |
| 8 | Exhibit Canberra 21 August 1984 - Related to FOI request re ADC investment in Northern Territory Government Boards |
| 9 | Exhibit Canberra 21 August 1984 - Related to FOI request re Enterprise Grant received by Boomerang Insurance |
| 10 | Exhibit Canberra 21 August 1984 - Related to FOI request re visit to UK by ADC Officers |
| 11 | Exhibit Canberra 21 August 1984 - Correspondence between Mr Bird of the NAC and the Prime Minister re Mr Perkins |
| 12(a) | Exhibit Canberra 21 August 1984 - General outline of Aboriginal Development Commission Bill 1979 |

- 12(b) Exhibit Canberra 22 August 1984 - Background notes re ADC issued by Department of Aboriginal Affairs
- 12(c) Exhibit Canberra 22 August 1984 - Press statement issued by Minister for Aboriginal Affairs re establishment of the ADC
- 12(d) Exhibit Canberra 22 August 1984 - Explanatory pamphlet produced for Aborigines to explain the ADC
- 12(e) Exhibit Canberra 22 August 1984 - Second reading speech by Senator Bonner re - ADC Bill 1979
- 13 Exhibit Canberra 22 August 1984 - Information tendered by DAA related to transfer of various functions to ADC
- 14 Exhibit Canberra 22 August 1984 - Information tendered by DAA related to staffing levels for ADC
- 15 Exhibit Canberra 22 August 1984 - Information tendered by DAA related to transfer of housing function to ADC
- 16 Exhibit No 16 Canberra 22/8/84 - Press release by Clyde Holding re Charles Perkins appointment and creation of new housing authority
- 17 Exhibit No 17 Canberra 22/8/84 - Current procedures for appointment of Commissioners of ADC
- 18 Exhibit No 18 Canberra 22/8/84 - Table of expenditure by ADC on major programs
- 19 Exhibit No 19 Canberra 22/8/84 - Categories of land acquisition by ADC - percentage in each category
- 20 Exhibit No 20 Canberra 22/8/84 - Properties acquired by ADC for economic/social purposes
- 21 Exhibit No 21 Canberra 22/8/84 - Response by ADC to written questions from Secretariat
- 22 Exhibit No 22 Canberra 22/8/84 - CONFIDENTIAL
- 23 Exhibit No 23 Canberra 23/8/84 - Letter from Prime Minister to Senator Chaney re staffing of ADC
- 24 Exhibit No 24 Canberra 24/8/84 - Advice from ADC re transfer of further functions
- 25 Exhibit No 25 Canberra 6/9/84 - Telex from Mr Greenhalgh to Mr Devine re purchase of assets
- 26 Exhibit No 26 Canberra 6/9/84 - Letter from Mr Devine to Mr Fisher re maintenance of costs within KLDC
- 27 Exhibit No 27 Canberra 6/9/84 - Letter from Mr Devine to Mr Greenhalgh re problems facing KLDC

- 28 Exhibit No 28 Canberra 6/9/84 - First issue of 'Kulinma Kodowokai' - reporting formation of KLDC
- 29 Exhibit No 29 Canberra 6/9/84 - Survey report carried out on Paluma on 28 May 1982
- 30(a) Exhibit No 30A Canberra 6/9/84 - Project Managers Report for Director's Meeting 16-17 April 1984
- 30(b) Exhibit No 30B Canberra 6/9/84 - Deed of Appointment re KLDC receivership
- 31 Exhibit No 31 Canberra 6/9/84 - Guidelines re financial and private interests of public servants
- 32(a) Exhibit No 32A Canberra 6/9/84 - Registration of interests by senior public servants, PSB ref 83/1935
- 32(b) Exhibit No 32B Canberra 6/9/84 - Covering memorandum for Exhibit No 32A
- 33 Exhibit No 33 Canberra 7/9/84 - Extract from DAA Annual Report 1972-74
- 34 Exhibit No 34 Canberra 7/9/84 - Ferris, Norton Report on Organisation, Operation and Management of the ADC< March 1982
- 35 Exhibit No 35 Canberra 7/9/84 - CONFIDENTIAL

POSSIBLE STRUCTURE FOR A COMMISSION PLAN

Elements which should be included in the Commission plan are:

1. A statement of the objectives of the Commission and the priorities attached to those objectives.
2. A statement of constraints acting on the Commission's ability to achieve its objectives. Two most important constraints will be:
 - (i) The future levels of funding available to the Commission [a starting assumption in this regard may be that funding will continue at about the present level in real terms]. The plan may then be tested against other funding assumptions.
 - (ii) The level of staffing available to the Commission. Again different levels of staffing can be tested against the plan.
3. The plan itself. The plan should project future Commission activities, expenditure, and manpower over a rolling forward period of, say, five years. The first year of the plan should be the agreed firm target for the next year's expenditure, against which performance is measured and reported to Commissioners. The following years are indicative targets which will progressively change as performance, priorities and funding levels necessarily change.

For the planning process to be successful in any organisation the following steps must be followed:

1. Overall objectives must be agreed at the senior management level, with the ADC, at the Commissioner level.

2. A consistent set of planning assumptions needs to be promulgated to all levels of the organisation. For the ADC these should come from the new Policy Branch.

3. The plan must be agreed from the bottom of the organisation upwards. Thus, in the ADC it is essential that Area and Regional offices agree to their local elements of the plan which are then consolidated into the overall Commission plan. A plan which is produced by a planning group and imposed on line functions will almost inevitably fail due to the lack of commitment by the line functions to the plan.