



Cape York Land Council Aboriginal Corporation

ICN 1163 | ABN 22 965 382 705

29 May 2017

Dear Infrastructure, Planning and Natural Resources Committee

Cape York Land Council submission regarding the Inquiry into the long-term financial sustainability of local government

The Cape York Land Council (CYLC) is the Native Title Representative Body (NTRB) for the Cape York region. In our NTRB role we to fulfil statutory functions under the *Native Title Act 1993* (Cth). In our broader Land Council role we support, protect and promote Cape York Aboriginal peoples' interests to positively affect their social, economic, cultural and environmental circumstances. In this capacity, we welcome the opportunity to comment on the Infrastructure, Planning and Natural Resources Committee's Inquiry into the long-term financial sustainability of local government.

Given our responsibilities, CYLC's main interest in the Inquiry is Cape York's Aboriginal local governments. CYLC's Representative Area includes the Aboriginal local/regional government areas of Aurukun, Hope Vale, Kowanyama, Lockhart River, Mapoon, Napranum, Northern Peninsula Area, Pormpuraaw and Wujal Wujal. Although our interests are limited to Cape York we expect that our comments are also generally applicable to other Indigenous local governments in Queensland.

Aboriginal Councils fundamentally differ from other Queensland Councils in that:

1. they have a separate statutory function under the *Aboriginal Land Act 1991* (ALA) as the Trustee of certain Aboriginal land tenures within their local government area (LGA), including all Deed of Grant in Trust (DOGIT) lands, most Aboriginal reserve land, and occasionally Aboriginal freehold land. In some cases, Aboriginal land tenures held by the Trustee constitute virtually all the LGA, including the town area; and
2. they do not generate revenue through the collection of rates to provide for the delivery of municipal services.

These two fundamental differences between Aboriginal Councils and other Queensland Councils severely undermine the long term financial sustainability of Aboriginal local governments, and drive perverse strategies in their short term revenue raising. Reform of these differences is necessary to ensure that Aboriginal local governments are more financially viable and capable of sustaining adequate levels of municipal service delivery into the future.

The short term result of Aboriginal Councils not having a rates base revenue stream, and being the Trustee of substantial areas of Aboriginal land, is that revenue raised by Councils from the leasing of Aboriginal land in their role as the Trustee, particularly the leasing of DOGIT land for social housing, is being transferred to financially supplement their local government role to delivery municipal services. However, Aboriginal Councils in their statutory role as Trustee under the ALA should not be transferring revenue generated from the leasing of Aboriginal land to support their local government municipal service delivery role.

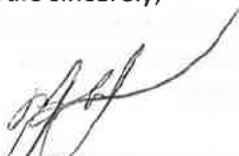
In addition, even if it was appropriate, the strategy of using revenue from the leasing of Aboriginal land to supplement municipal service delivery is unsustainable. This is because the ALA provides that

land under DOGIT or Aboriginal reserve tenure must be transferred to Aboriginal freehold tenure as soon as practicable. The tenure transfer will probably also result in a transfer of the Trustee function from an Aboriginal Council to an Aboriginal Land Trust. Existing leases will remain in place post transfer, but lease rents would then be payable to the Land Trust and would not be available for municipal service delivery.

For the purposes of their financial planning and long-term forecasting, financial sustainability targets, strategic planning and organisational capacity, Aboriginal Councils must transition to arrangements that are consistent with other Queensland local governments where they generate a substantial part of their revenue from a rates base, and they do not have a dual function as the Trustee of Aboriginal land. The "normalisation" of Aboriginal Councils in this way is essential to ensure their viability as local governments, and the adequate delivery of municipal services to the communities of their LGAs.

If you would like to discuss any aspect of this submission please do not hesitate to contact me.

Yours sincerely,



Peter Callaghan
Chief Executive Officer
Cape York Land Council