



PRIME MINISTER

IMPROVING ACCOUNTABILITY IN ABORIGINAL AFFAIRS

The Government has made a number of decisions to improve the level of accountability in the administration of funding in Aboriginal and Torres Strait Islander affairs.

These decisions are designed to deliver better practical outcomes for Aboriginal and Torres Strait Islander people and to ensure that public funds are spent in a proper and accountable way.

They come at a time when there is increasing community concern that a number of organisations with responsibility for assisting Aboriginal people are not being properly administered.

In particular, the release of the Commonwealth Ombudsman's report into a complaint by the New Burnt Bridge Aboriginal Corporation and serious concerns about a number of Aboriginal Legal Services have driven home the need to ensure that Aboriginal organisations are fully accountable for the use of public funding.

This morning, the Aboriginal Social Justice Commissioner, Mick Dodson, clearly indicated that there is a need to improve the accountability of funding provided to Aboriginal organisations. A number of indigenous leaders including the anti-corruption campaigner, Sharon Firebrace, and the Executive Director of the Kimberley Land Council, Peter Yu, have also been calling for greater accountability in Aboriginal affairs.

The Government recognises the need for ongoing self-management of Aboriginal affairs by Australia's indigenous people. However it must also be recognised that self-management carries with it a responsibility to maintain high standards of accountability not just to Parliament but also to the Aboriginal and Torres Strait Islander community throughout the nation.

For its part, the Government has a clear responsibility to ensure that bodies with statutory responsibilities such as ATSIC meet those responsibilities. The Government rejects claims that it is undemocratic to ensure that any organisation is fully accountable for the expenditure of public funding.

The Coalition is determined that all government funded organisations meet their responsibilities to taxpayers. Equally, we are determined to further the interests of Aboriginal people by ensuring that public funding is efficiently delivered to those who are in need of assistance.

Today the Minister for Aboriginal and Torres Strait Islander Affairs, Senator John Herron, has issued general directions to the Aboriginal and Torres Strait Islander Commission (ATSIC) under section 12 of the ATSIC Act.

These directions require ATSIC to provide accountability documentation for ATSIC funded organisations to a Special Auditor to be appointed by the Government, and to stop future grants where the Auditor is not satisfied that adequate accountability exists.

The directions require ATSIC to provide audited financial statements, acquittal documentation, and any other material relating to breaches of grant conditions by funded organisations to the Special Auditor. In the event that the Special Auditor is satisfied that an organisation is not acting in a fit and proper manner in terms of its expenditure of public monies, the general direction will prevent ATSIC from funding that organisation unless exceptional circumstances arise.

The Government has also decided that Parliament should be asked at an early opportunity to support amendments to the ATSIC Act which would allow the Minister to appoint an Administrator in the event that he or she is satisfied that the administration of public money by ATSIC has been fraudulent or involved gross mismanagement or ATSIC has intentionally failed to comply with a general direction of the Minister. Under these amendments, the Administrator would manage the operations of ATSIC during the currency of his or her appointment. In addition, the Administrator could report to the Minister on possible changes to the structure and operation of ATSIC to ensure full accountability and the proper provision of services to indigenous people.

The Government further agreed that the Act should be amended:

- to reduce the number of ATSIC regional councillors to between eight and twelve per council depending on the Aboriginal and Torres Strait Islander population being represented; and
- to provide for the Minister to appoint two ATSIC commissioners, and to appoint the ATSIC Chairperson from amongst the 17 elected and 2 appointed Commissioners;

The Government is determined to deliver on its election commitment of achieving significant improvements in the long term health, housing, education and employment outcomes of indigenous Australians. To meet this commitment it is vital that every dollar spent on Aboriginal affairs contributes in a positive way to this central objective. Today's announcement is an important first step in improving standards of accountability with the ultimate goal of providing better services for Aboriginal and Torres Strait Islander people.

10 April 1996

*Improving standards of
providing better services for Aboriginal and
Torres Strait Islander people*