



LAYNHAPUY HOMELANDS ASSOCIATION INC.

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Ms Anita Mills
Assistant Section Manager – Infrastructure
FaHCSIA NT.

Dear Ms Mills

Re: CDEP conversion – Municipal Services

Laynhapuy Homelands Association Inc. (LHAI) wishes to advise that it is willing to accept the offer from FaHCSIA for the conversion of several CDEP positions into four equivalent full-time (EFT) temporary employment positions of three months duration from 1 April to 30 June 2008.

LHAI proposes to create 7 positions of 20 hours per week, one position at each of the following homelands: Yilpara, Gangan, Garrthalala, Wandawuy, Barrkira, Dhalinbuy, Gurrumurru.

The positions will focus on key municipal services function including daily or weekly checks and reporting as appropriate, on:

- water supply
- power generation (where applicable)
- sewage management – septic systems (where applicable)
- rubbish collection
- tip management
- airstrips
- municipal services equipment

Where the position holder has acquired the requisite skills and the work is not required to be undertaken by a licensed tradesman, then the position holders may undertake minor repairs and routine maintenance.

LHAI strongly supports the Australian Government's commitment to providing unsubsidized jobs where CDEP has been underpinning government service provision, and correspondingly supports the movement of CDEP participants into these positions.

In accepting this conversion funding, however, LHAI feels it is necessary to draw to FaHCSIA's attention the following concerns:

- Unless municipal services funding is increased to adequately cover the real employment costs, and the NT Government supports this employment arrangement continuing, LHAJ will have no option but to terminate the employment contracts as at COB on 30 June 2008. Of necessity, the employment contracts offered will reflect the temporary nature of the employment since neither the position of the NT Govt or levels of funding are currently known.
- Absolute priority will need to be given to these participants to return to CDEP on completion of their contract. It would be quite inappropriate and damaging for LHAJ operationally, and for the self esteem of the individuals, if they were forced onto unemployment benefits and the CDEP waiting list.
- Full-time employment in these positions is not a viable option. This is because of:
 - the level of support, supervision, and training required, and not currently funded under this arrangement.
 - lack of mobility effectively restricts the workers to servicing only the one homeland where they live, as LHAJ is not funded sufficiently under this arrangement to provide for vehicles and travel costs to move these positions from homeland to homeland to undertake work.

It would therefore not be appropriate to create position for more than about 20 hours per week.

- The rate of pay for these positions equates to \$17.00 per hour after on-cost. It should be noted that this is the same as our current CDEP rate plus top-up. These positions will therefore effectively receive the same fortnightly income as many other CDEP participants. Consequently there is little financial incentive built into this offer from FaHCSIA.
- These positions appear to have been rushed through without consultation with the Northern Territory Government which is about to assume responsibility for homelands. It is only in the last week that LHAJ has had the opportunity to commence discussions with the NT Power & Water Authority regarding their role in the future provision of essential services to homelands, and their capacity to take on ESO trainees. These discussions may take several months before Power & Water can make any definitive commitments. The opportunity of a more coordinated and sustainable approach to employment and training has therefore been lost under this arrangement.
- The Australian Government does not appear to understand the true costs of employing low skilled Indigenous staff. No provision has been made in the funding to cover the additional costs associated with supervision and support by other LHAJ staff, the costs associated with tools and safety equipment, or for the administrative on-costs of additional employees. Of significant concern are the costs associated with training that have not been addressed under this arrangement. By leaving the CDEP program these participants lose 'free' access to training courses and to the CDEP funds that support training activities (eg. travel). These costs cannot continue be absorbed by LHAJ. If structured as an 'Yolngu employment & training project' an administrative fee of 10% (in addition to salary on-costs) project management fee of 15% and associated travel would not be unreasonable.

- The Australian Government does not appear to understand the magnitude of the language, literacy & numeracy barriers to most Yolgnu moving into unsubsidized employment, and the significant lead times that will be required. RTO's in remote areas have limited capacity to address this issue. Formal Essential Services Officer (ESO) training takes several years in itself, and presupposes a reasonable level of literacy and numeracy at commencement of training. It would be quite unrealistic to expect any quick or simple transition of these positions into core staff roles in unsubsidized positions either within LHAI, the new East Arnhem Shire, or the Power & Water Authority.

LHAI is keen to support the Australian Government's efforts to create unsubsidised employment in areas of service provision where government is normally responsible. For this reason LHAI has taken on 8 x CDEP Supervisor positions, 11 x Aboriginal Health Worker positions, 24 x male Rangers positions, and 10 x proposed female Rangers positions. This is in addition to making significant efforts to directly employ Yolgnu in staff or training positions within the organization.

For these efforts to be sustainable, it is critical that the Australian and NT Governments seriously take on board the concerns raised above, particularly in relation to timeframes for succession, and the administrative, project management, and supervision/support costs of taking on additional low skill employees. Approximately 25% should be allowed for this in funding such positions. The costs of accessing ongoing training must also be adequately taken into account and be provided for through funding, since 'employees' lose access to various training subsidies.

It must be pointed out that under this limited arrangement, LHAI cannot take responsibility for training, supervision, and on-cost provision, and we sincerely hope that we are not unwittingly setting up Yolgnu to fail by not providing adequate resources in our rush to provide unsubsidized employment opportunities.

We thank you for this funding offer, and will do our best with it in the limited timeframe available and within the constraints identified above.

Yours sincerely

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Yananymul Mununggurr
CEO

27 March 2008