The Minister announced on 26 October that the Government had decided to develop, in consultation with Aboriginals, a proposal to group under one statutory authority the present responsibilities of the Aboriginal Loans Commission and the Aboriginal Land Fund Commission, as well as the Department's program of support for Aboriginal enterprises.

He also indicated that the Government had decided to establish an Aboriginal Entitlement Capital Account, referring to the commitment to establish such an account in the Coalition Parties' 1975 policy statement which acknowledged 'the problems flowing from the past dispossession and dispersal of the Aboriginal people and the community's resulting responsibility'.

A small departmental task force was established on 30 January 1979 to develop the proposals. Formal written submissions were made by the Council for Aboriginal Development, the two existing Commissions and several interested Aboriginal organisations which provided valuable comment and suggestions. Maximum participation of Aboriginal people in development of the proposals was encouraged and the task force visited all States for discussions on the proposal.

It is planned to introduce the necessary enabling legislation into the Parliament later in the year, and to defer debate on the Bill until 1980 to allow time for public debate and full consideration of Aboriginal views on it.

Torres Strait Treaty
The signing in Sydney on 18 December 1978 of a treaty between Australia and Papua New Guinea dealing with sovereignty and maritime boundaries in the area between the two countries, marked the end of several years of negotiation, in which the Department was involved.

The Treaty will be of great significance to the people of the Torres Strait Islands and provides the means to protect their traditional way of life and their environment. Torres Strait Islanders will be able to continue to carry out their traditional activities, especially traditional fishing, and to move freely about the zone for this purpose, and will participate in the oversight of the Treaty arrangements. In the months before final agreement was reached the former Minister, Mr Viner, and the Department's officers, had been actively involved in treaty negotiations and in discussions with representatives of the Torres Strait Islanders to ascertain their views and to keep them informed of developments.

The Treaty will not enter into force until it is ratified by both countries, after legislation to enable the implementation of the Treaty provisions has been enacted in Australia and Papua New Guinea.

Northern Territory
On 1 July 1978 self-government was granted to the Northern Territory, where about one-quarter of the population is Aboriginal, and in January 1979 responsibility for health services was transferred to the Northern Territory Government. The Northern Territory Government also assumed responsibility for the provision of essential services (water supply, electricity, sewerage, roads) to Aboriginal people wherever they live, although the
Department continued on an agency basis to administer the provision of grants for these services until 30 June 1979. Negotiations continued on the transfer of some additional financial responsibilities from the Department to the Northern Territory Government. Important new legislation affecting Aboriginal people in the Territory included amendments to local government legislation to provide for 'community government', new liquor control legislation, amendment of the Crown Lands Act to define the rights of Aboriginals on pastoral leases, and other legislation to complement and supplement the Aboriginal Land Rights Act.

Other significant events in the Northern Territory included the first grants of title to Aboriginal Land Trusts over former reserve lands in September; the acceptance of recommendations by the Aboriginal Land Commissioner on traditional land claims to two large areas in Central Australia; the granting of more leases to Aboriginal groups in town areas; conclusion of two major mining agreements by the Northern Land Council; and the granting of a lease of Aboriginal land in the Alligator Rivers area to the Australian National Parks and Wildlife Service for Kakadu National Park.

Central reserves
On 1 July 1978 responsibility for the Department's administration in the north-west of South Australia, and the Central Reserve of Western Australia, was transferred to the Regional Office in Alice Springs. The areas concerned are remote from centres of State administration and co-ordination of activities had long presented problems. Alice Springs was already a centre for many services used by Aboriginal communities scattered through the Central Reserves area. The co-ordination of activities in the area is now being handled by the staff of a new Area Office in Alice Springs. Officers attended meetings of the Pitjantjatjara Council, which represents communities throughout the area, and convened several consultations with State and Territory departments on the co-ordination and rationalisation of health, education and other basic services in the area.

Organisation and staffing
Following the reorganisation of the Department in 1977, several reviews took place to assess the adequacy of staffing in Regional Offices and Area Offices. This included a joint Departmental-Public Service Board review of field activities in the Queensland Region. As a result of these reviews, restructuring occurred in some Regions and new Area Offices were approved for Queensland, South Australia and the Northern Territory.

Additional efforts were made to improve employment and training opportunities for Aboriginals in the Department as part of the general program designed to increase Aboriginal employment in Commonwealth departments and authorities, which is one strand of the National Employment Strategy for Aboriginals announced in 1977. Special arrangements were made to bring employment opportunities in the Department to the notice of Aboriginals and, in collaboration with the Department of Employment and Youth Affairs, more Aboriginals were placed in training in the Department under the NEAT scheme. Action was taken to identify all those positions in the Department's Central, Regional and Area Offices for which an ability
Makarrata

The National Aboriginal Conference has also been responsible for consulting with Aboriginal communities on the concept of an agreement between the Aboriginal people and the Australian Government.

In April 1979 the annual conference of the National Aboriginal Conference passed a resolution calling for negotiations between the Australian Government and the NAC on behalf of the Aboriginal people on the subject of a treaty. In November the NAC Executive formed a committee to discuss the proposal. The Yolngu word *Makarrata*, meaning 'the end of a dispute and the resumption of normal relations', was adopted for the concept and the first round of discussions has been held with Aboriginal communities. The Prime Minister has indicated he will meet the NAC, as the elected representatives of the Aboriginal people, when it has formulated its proposals.

Arrangements with the States

A review during the year enabled the Commonwealth and the five States with which formal agreements exist to clarify overall areas of responsibility in Aboriginal affairs. In each case, the principles of earlier agreements were confirmed as satisfactory. The meeting of the Australian Aboriginal Affairs Council (AAAC) in Hobart on 29 February 1980 endorsed these conclusions, and bilateral discussions continued on specific programs.

Transfer of programs to the Northern Territory

Further transfers to the NT Government of local government/municipal type services and community recreation services took place on 1 February 1980. The Department acted as agent for NT Government programs until 30 June 1980, at which time positions and some staff associated with the program were transferred to the Northern Territory. Funds for the programs are now provided through General Revenue Grants to the Territory rather than through the Department.

Staffing reviews

Several organisation reviews were carried out in 1979–80 to assess the adequacy of staffing in Central, Regional and Area Offices.

A rearrangement of Central Office functions was introduced on a trial basis in November 1979. These interim working arrangements are reflected in the chart at Appendix F. Eastern and Queensland Regional Offices were strengthened. Approval was given for two additional Eastern area offices, at Broken Hill, and at Port Macquarie to cover the coastal area from Gosford to South West Rocks and inland to Walcha. Reduction of the Darwin staff followed the identification of functions to be transferred to the Northern Territory Government. A new area office opened at Ceduna, SA, in May.