

**COMMONWEALTH GRANTS COMMISSION**

**INDIGENOUS FUNDING INQUIRY**

**SUBMISSION**

**From: Victorian Department of Treasury and Finance**

**Submission No: IfI/SUB/0014**

**Date Received: 11/04/2000**

Mr. R J Searle  
Secretary  
Commonwealth Grants Commission  
Cypress Court  
5 Torrens Street  
Canberra ACT 2612

Dear Mr. Searle

**RE: SUBMISSION ON INDIGENOUS FUNDING INQUIRY**

I refer to the letter from Mr Morris to Mr Little of 7 February 2000, calling for submissions addressing major issues in regards to the Indigenous Funding Inquiry.

Victoria notes that the Commission will focus on preparing a needs-based distribution of Commonwealth funds for each service across the regions, and compare the needs-based distribution of funds with the existing distribution. In identifying the current distribution of Commonwealth funds, the Commission will include Commonwealth direct funding (eg. through ATSIC and mainstream programs). The Commission should also count the substantial quantum of funds provided to a number of States and Territories as subsidies through the general purpose grants system. These subsidies are provided in order to enable services to be delivered to indigenous people. The Commission should assess whether the recipient States and Territories are in fact directing equivalent funds towards indigenous people.

The Department of Treasury and Finance has canvassed the views of relevant Victorian Government agencies. The general theme of those discussions has been to emphasise the significant contribution of mainstream service delivery to meeting indigenous needs, and the difficulty of accurately identifying indigenous needs and use of services within a complex service delivery environment.

Many Victorian agencies express concern that data on indigenous outcomes may underestimate indigenous use of services. In turn, this may mask the level of need within indigenous communities. In Victoria, shortcomings with the reliability of quantitative data are off-set by the direct involvement of indigenous organisations in the determination and prioritisation of program development and service delivery.

Victoria's indigenous population live in urbanised communities and in close proximity to mainstream services. Their health, education and economic outcomes are similar to that experienced by indigenous communities in other Australian jurisdictions. The National Aboriginal and Torres Strait Islander Survey conducted by the Australian Bureau of Statistics in 1994 found that in comparison to Aboriginal people in other states, Koori people in Victoria had reported:

- The highest rate of recent illness (53.9%);
- The highest rate of suffering from a specific long-term illness (46.3%);
- The highest rate of smokers (57.1%); and
- The lowest rate of reporting that alcohol was a main problem in the local area (38.4%), with the exception of Tasmania.

Research conducted by the Victorian Aboriginal Health Service (1998) found that for its general practice patient population that:

- 49% of patients had been separated from both of their parents for significant periods of time during their childhood;
- 20% of patients had been brought up in children's homes, and 10% had been adopted or fostered by non-Aboriginal families;
- 54% of patients had evidence of mental health problems such as depression; and
- There was evidence of high rates of use of substances such as tobacco and alcohol.

While the issues affecting Victorian Aboriginal communities are different to those of remote communities, the figures above show that they suffer similar outcomes and difficulties arising from their status as indigenous Australians.

Attached to this letter is further information on Victorian policies and service provision, compiled by Aboriginal Affairs Victoria ([Attachment A](#)). A submission by the Victorian Department of Education, Employment & Training, which provides more detail on the range of services available to indigenous people in Victoria, has not yet been finalised and may be provided at a later stage.

We expect that Victoria will be represented at the Commission's proposed Conference in May, and will provide you with details of participants at a later stage.

Yours sincerely

Stein Helgeby  
Director  
Revenue Policy

## **THE NEEDS OF INDIGENOUS PEOPLE FOR HOUSING AND INFRASTRUCTURE, EMPLOYMENT AND TRAINING, HEALTH AND EDUCATION SERVICES.**

### **Overview**

The Commonwealth Grants Commission terms of reference – *‘to measure the needs of groups of Aboriginal and Torres Strait Islander peoples ..... to help the Government better direct expenditure to areas of greatest need’* will necessarily involve an examination of both Commonwealth and State approaches to indigenous policy development, program funding and service delivery.

The area of indigenous policy, funding and service delivery is inherently complex due to the dual role played by Commonwealth and State and Territory Governments in responding to indigenous disadvantage in the health, education, housing, employment and infrastructure sectors.

This environment is characterised by multiple service providers (eg, mainstream Commonwealth and State public providers, the non-government sector and indigenous community controlled providers) and by the fact that many of these providers are often engaged in addressing similar needs. In Victoria, where Aboriginal people predominantly reside in either urban or regional centres that are serviced by a broad mix of service providers, data collection is a particularly problematic issue. Examples of areas where duplication or overlap occur include the provision of health services, community services, housing and employment.

Victoria has developed key sectoral strategies to address indigenous disadvantage. They include

- Koorie 2000 (Education and Training)
- the Aboriginal Health Reform Agreement (Health)
- Koori Services Improvement Strategy (Health, Family Services, Housing and Youth Corrections)
- Koori Business Network (Economic Development)
- the proposed Victorian Aboriginal Justice Agreement (Corrections, Courts, Police, Youth Corrections and Justice Services)

While these strategies address different sets of outcomes it is important to note that they have been developed in partnership with relevant stakeholders in the indigenous community. As a result they share a common set of processes which:

- create a shared vision and agreed priorities for action within the government and community sectors;
- establish appropriate systems for monitoring Aboriginal outcomes;
- develop stronger and more sustainable approaches to tackling the many issues associated with continuing Aboriginal disadvantage;

- empower local communities to become involved in policy, planning and service delivery;
- reduce duplication in service delivery and target effort and resources more effectively;
- share ideas and expertise; and
- increase accountability and transparency in decision making.

Despite this, the development of planning, data collection and inter-sectoral linkages between agencies in areas under consideration by the Commission (particularly linkages between Commonwealth and State programs) are in general poorly developed.

This issue will need to be considered in the Commission's determination of improved mechanisms for the monitoring indigenous needs and the allocation of resources. Other key issues that will need to be addressed include:

**The ability of the Commission to conduct equitable cross-jurisdictional assessments.**

Currently, the Ministerial Council for Aboriginal and Torres Strait Islander Affairs is considering proposals for the development of improved data collection and monitoring of indigenous outcomes. These proposals are for the Productivity Commission to work with jurisdictions in developing an agreed set of outcome indicators that can be monitored nationally.

Other initiatives relevant to this task include:

- the development of indigenous health indicators by the Australian Health Ministers Council;
- development of bi-lateral agreements on indigenous housing and outcome indicators, associated with the Royal Commission into Aboriginal Deaths in Custody; and
- the Human Rights and Equal Opportunity Commission's report, 'Bringing Them Home'.

Victoria's participation in these areas indicates that there are significant issues that will need to be dealt with to allow for uniform cross-jurisdictional reporting on indigenous outcomes. Areas requiring significant national agreement include definition of indigenous service use, methodologies for identifying expenditure in different service agency sectors and the establishment of State and Territory based functions to undertake monitoring. Until these processes are further developed, it will be extremely difficult for the Commission to access data of suitable quality to allow for cross-jurisdictional assessments of indigenous outcomes.

Opportunity exists for the Commission to work in partnership with the Productivity Commission in developing national indicator sets that would assist the Commission in its determination of indigenous needs and jurisdictional outcomes.

## **Data quality**

Victoria is concerned that the development of models to determine indigenous need that are based heavily on existing indigenous data sets may significantly underestimate the extent of Aboriginal people's level of service need and utilisation.

The issue of data quality is particularly important given the lack of integration between data collected through Aboriginal community controlled services and mainstream health and community service providers in the public and non-government sectors.

This problem, which varies in importance between jurisdictions, is particularly relevant to Victoria where Aboriginal people predominantly reside in either urban or regional centres that are serviced by a broad mix of indigenous, public and non-government service agencies.

Other issues related to data quality that need to be considered are:

### *Base Line Population Data*

The Australian Bureau of Statistics (ABS) indigenous population estimates for Victoria have suffered from inter-censorial population changes in excess of 25% (1992 – 1996). The ABS estimate of the Victorian indigenous population (21,474 – National Census 1996) has been revised upwards in ABS estimates and has also been challenged by indigenous communities as representing a large underestimation of the Victoria indigenous population (indigenous community estimates are between 30,000 – 40,000).

### *Identification*

Victorian Government agencies have encountered significant difficulty in identifying Aboriginal people with regards to their use of mainstream services (much of this has to do with procedural issues associated with recording Aboriginality during client intake procedures).

### *Inter-Sectoral Linkages*

Many Aboriginal-run services have inadequate systems for data collection, and further, many of these data sets are not linked with centralised data sets in either Commonwealth or State based agencies. The lack of effective links between agencies (particularly community based and public sector agencies) raises issues in respect of any level of government being able to accurately identify service use by indigenous people.

In Victoria, shortcomings with the reliability of quantitative data is off-set by the extensive use of qualitative data collection and the direct involvement of indigenous organisations in the determination and prioritisation of program development and service delivery.

Victoria is also engaged in actively addressing the need for capacity building within the community sector in an attempt to improve the quality of services provided and administrative and reporting systems.

### **Developing a comprehensive assessment model**

Victoria incurs costs in the delivery of indigenous services in a variety of ways. They include the:

- Provision of mainstream services that are accessed by indigenous people;
- The provision of targeted assistance within mainstream service delivery systems to improve indigenous peoples access and use of mainstream services;
- The funding of targeted Aboriginal programs operated by government;
- The funding of Aboriginal community controlled organisations to deliver targeted indigenous services;
- The funding of indigenous policy and program development as a discrete activity within government agencies; and
- The funding of support for indigenous people to play an active role in partnership with government to determine policy, program and expenditure priorities.

The development of improved methodologies for measuring indigenous needs and allocating resources will of necessity be required to address this scope of activity.

As would be expected, jurisdictions adopt differing strategies in the manner in which they identify and respond to indigenous needs and the level to which they directly involve indigenous communities in the process of identifying and responding to needs.

In Victoria, emphasis is placed on the development and maintenance of effective partnerships with indigenous people as a key mechanism in determining policy, program and expenditure priorities. This approach is recognised as a 'best practice' model in working towards greater levels of self-determination and empowerment of indigenous people. The social outcomes achieved through greater participation in decision making cannot be divorced from the factors necessary to achieve improved outcomes in areas such as health, employment and education.

In considering the areas under investigation by the Inquiry (health, housing, education and infrastructure), Victoria is concerned that our investment in areas that have an impact on the well-being and social advancement of indigenous people (economic development, cultural heritage, representation in policy and decision making) may not be considered by the Commission in estimating State contributions to indigenous affairs.

### **Addressing the Impact of Indigenous Controlled Resources**

The Victorian Government also wishes to highlight recent developments in Australia such as Native Title and the increasing success of remote communities in sourcing income from mining royalties. These benefits to Aboriginal communities in remote areas of Australia

provide significant advantages that are not available to urbanised Aboriginal populations and urban based Aboriginal community organisations.

There have been many pressures and constraints on Indigenous organisations in recent years ranging from direct funding cuts to core management and support functions to the introduction of competition policy and competitive markets. Since the Commonwealth abolished the Aboriginal and Torres Strait Islander Commissions' - Community Support Fund (1996) Victorian Aboriginal community organisations have had to operate with much less financial support from the Commonwealth.

Victoria believes that the Commission must take account of the emerging differences in indigenous communities in respect of their capacity to access independent sources of funding and ensure that in considering the distribution of funding that communities which lack access to alternative independent sources of income are accounted for.

### **How Are Needs Best Measured**

The new Victorian Labour Government's Policy for Indigenous Victorians Reconciliation and Respect offers considerable scope for enhancing the gains achieved through the above policy reforms to government processes and for further addressing the disadvantage experienced by the Koori community. Key policy initiatives include:

- a commitment to a whole of government approach to Aboriginal affairs,
- the establishment of a Ministerial Committee on Aboriginal Affairs, chaired by the Premier to report annually on cross portfolio measures relating to Indigenous matters,
- ensuring equitable resources for services for indigenous Victorians through:
- publication of an annual Indigenous Victorian 's Budget Statement, and
- requiring every minister to report to parliament annually detailing progress achieved in each portfolio in securing social justice for Indigenous Victorians
- establishment of employment targets for the employment and training of Koories in each government department,
- ensuring the government sector fully respects the work and role of Indigenous communities to develop their own structures to service their own needs,
- establishing a Koori community fund,
- achieving better outcomes for Indigenous Victorians in the areas of health, education, juvenile justice and employment, and
- addressing Indigenous rights and representation through:
  - promoting greater awareness among Indigenous Victorians of their civil, legal and political rights, and
  - actively promoting opportunities for stronger participation by Indigenous Victorians in the wider political process.

Victoria recognises that a whole of government approach is required to overcome existing problems of fragmentation, duplication and gaps in service delivery and to facilitate the development of holistic and integrated responses that recognise the multi-factorial and historical nature of contemporary disadvantage. A whole of government approach creates an administrative and planning framework that enables targeting of effort of individual agencies to agreed priorities to achieve shared outcomes.



Inter-governmental partnerships require significant work, particularly at the level of commonwealth state relations. It is suggested that the Commission reinforces proposals for the Commonwealth and States to work more strenuously to develop integrated strategic planning, monitoring and resource allocation processes.

### **Relevant Activities in Victoria**

In accordance with the new Victorian Labour Government's policy, the Victorian Government is currently undertaking a range of activities that will assist the Commission in accessing data on Victorian indigenous needs and services. These processes include:

- publication of an annual Indigenous Victorian 's Budget Statement;
- requiring every minister to report to parliament annually detailing progress achieved in each portfolio in securing social justice for Indigenous Victorians; and
- establishment of employment targets for the employment and training of Koories in each government department,

These activities will provide a significant focus on the establishment of a consolidated series of outcome indicators that attempt to monitor progress in addressing Aboriginal disadvantage.

Accordingly, Victoria welcomes the Commissions initiative and will seek to draw from the Commissions deliberations insight into national approaches to monitoring indigenous outcomes and where appropriate seek to develop approaches that are consistent with the objective of national monitoring of outcomes.