

Commonwealth Grants Commission Indigenous Funding Inquiry Submission

**From: Aboriginal and Torres Strait Islander
Commission (ATSIC)**

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SUBMISSION BY THE
ABORIGINAL AND TORRES STRAIT ISLANDER COMMISSION
TO THE
COMMONWEALTH GRANTS COMMISSION
INDIGENOUS FUNDING INQUIRY

Introduction

ATSIC welcomes this opportunity to contribute to the Inquiry. The adequate funding of services to Indigenous Australians is an issue of deep significance to the Board of ATSIC Commissioners as well as to the Regional Councils, charged as they are with the responsibility of advocacy for the rights of Indigenous peoples.

The ATSIC corporate vision reflects this responsibility:

Aboriginal and Torres Strait Islander peoples and communities freely exercising our legal, economic, social, cultural and political rights.

Underpinning this corporate vision are principles that are pertinent to the Inquiry. One principle is:

Indigenous people have a right to the same level of services which are provided to all Australian citizens.

ATSIC believes that this principle should be central to the conduct and outcomes of the Inquiry.

A second principle is:

The most effective and longlasting outcomes are achieved when Indigenous peoples are integrally involved in all aspects of the delivery of services to their community. This includes consultation, negotiation, decision-making, service delivery and evaluation.

This principle is central to meeting the immediate needs of Indigenous people as well as meeting their longer term developmental aspirations. ATSIC therefore urges that this be a central consideration in the Commission's investigations. The cost of applying this principle is a factor in service delivery, and should be factored into any measure of need.

The Terms of Reference

1. Since the Inquiry was first announced, ATSIC has expressed major concerns about the adequacy of the Terms of Reference. In summary, these concerns are:
2. **Relative need.** The basis for this concern is that an examination of relative need between Indigenous communities will mask the extent of absolute need within those communities, and will also ignore the needs of Indigenous Australians relative to those of non-Indigenous Australians.
3. **Limited focus.** Restricting the Inquiry to an examination of need within the four target areas does not allow the Inquiry to address adequately the expressed cultural, social, and economic needs of Indigenous people.
4. **Adequacy of available data.** The range of available information about Indigenous Australians is not as large as that for the total population. As well, the Census, which provides the main source of small area data, does not cover issues of social concern and well-being, which is particularly problematic for Indigenous people.

ATSIC strongly urges the Commission to take these concerns into account, to look beyond the needs of communities relative to one another, and if necessary to seek an amendment to the Terms of Reference to enable it to do so.

Further amplification of these concerns is presented below.

Relative need and limited focus

5. In the absence of increased funding, any funding formula that is based on such a restrictive inquiry (relativity between groups of Indigenous Australians) will not alleviate the level of absolute need. At best, it will simply lead to a redistribution of funding whereby some groups of Indigenous persons may be better off but only at the expense of others. The other important factor, as mentioned above, is the relativity between Indigenous and non-Indigenous Australians, as evidenced in part by the *ABS Health & Welfare survey, Aboriginal and Torres Strait Islander Peoples 1999*. Bearing in mind that Indigenous Australians comprise 2.1% of the entire population:
 - The Indigenous population is younger than the general population as a whole - median age 20.1 years versus 34.0 years, respectively.
 - The average number of persons in Indigenous families (3.7) is higher than for other families (3.1)
 - The proportion of lone parent families is much higher in the Indigenous population (29.6%) compared to other families (14.2%)
 - Indigenous people are more likely than other Australians to live outside of urban areas – about one in four versus about one in seven.
 - Indigenous adults are less likely than non-indigenous adults to have a post-school educational qualification (11% versus 31%)
 - Unemployment rates in 1996 were higher for Indigenous adults (23%) than for non-Indigenous adults

- The median weekly income was lower for Indigenous males (\$189) and females (\$190) compared to non-Indigenous peoples (\$415 for males and \$224 for females).
- Indigenous peoples were also much less likely than other Australians to own their home. Only 31% of Indigenous households live in homes that are owned or being purchased by their occupants, compared with 71% of other Australian households.
- Almost a third of all households living in improvised dwellings in Australia are Indigenous households
- Nearly half of all dwellings with 10 or more people living in them are occupied by Indigenous households.
- Indigenous children are more likely than non-Indigenous children to be subjects of substantiated cases of abuse and neglect (with rates about 2-8 times higher), care and protection orders (about 4 times higher) and on out-of-home placements (almost 6 times higher).
- Indigenous children are also over-represented in the juvenile justice system with about 40% of children in 'corrective institutions for children' identified as Indigenous.
- Indigenous peoples are over-represented in intimate partner homicides, with 20% of victims and 22% of offenders between 1989-96 identified as Indigenous.
- Almost 19% of the adult prison population in 1997 identified as Indigenous. The imprisonment rate for Indigenous adults is over 14 times that for non-Indigenous adults.
- *In 1991-96 life expectancy at birth was estimated to be 56.9 years for Indigenous males and 61.7 years for Indigenous females, compared with all-Australian estimates of 75.2 years for males and 81.1 years for females. This roughly compares with life expectancy in Ghana, Bangladesh, Myanmar, and PNG (World Bank World Development Report, 1999).*

It is our view therefore that the Inquiry should acknowledge and address inequities between Indigenous and non-Indigenous peoples, and investigate access and equity factors in the distribution of mainstream funding to Indigenous peoples in all functional areas. The economic, social, cultural, political and diplomatic dividends to be gained by alleviating the plight of Indigenous Australians are enormous and would open the way for the growth, advancement and greater wellbeing of the nation as a whole. To reap those dividends, the absolute needs of Indigenous Australians must be met and the disadvantage gap between them and non-Indigenous Australians closed.

Data

6. ATSIC agrees that existing data ought to be used but we are also mindful of current data limitations and urge the Commission to give this due consideration. In the end, the most useful data will be that gathered from the Indigenous people themselves as they know what best meets their needs.

7. ATSIC is aware of the need to distinguish between the needs of Aboriginal people and Torres Strait Islander people, to ensure that government programs and services are being delivered to the two distinct groups of indigenous people. The practice by governments in the past has tended to combine the two groups for administrative convenience. This has often meant that information and data on the majority of Torres Strait Islander population, living on the mainland and outside the Torres Strait region, is often not obtained separately from those relating to the Aboriginal population. Therefore it becomes difficult to assess whether government programs and services are meeting the needs of mainland Torres Strait Islanders.

8. Through internal evaluations, ATSIC has begun a process to identify the issues involved in separation of data and information on our services and programs to Torres Strait Islanders. The ATSIC ACT contains a special provision for Torres Strait Islanders and under this area is the establishment of the Office of Torres Strait Islander Affairs (OTSIA) within ATSIC, and formation of the Torres Strait Islander Advisory Board (TSIAB). OTSIA is responsible for monitoring government programs and services and TSIAB's function is to provide advice to ATSIC and the Commonwealth Minister for Aboriginal and Torres Strait Islander Affairs. These arrangements highlight the need for differentiation between the two indigenous groups.

In TSIAB's view, the Inquiry will need to consider the issue of access to data and information relating to mainland Torres Strait Islanders and where there is lack of information, encourage government agencies to commence establishing systems to differentiate between the two groups. The ABS has produced information on best practice in collecting data which distinguishes between Torres Strait Islander people and Aboriginal people.

Funding formula

9. ATSIC's experience is that implementing a funding formula, however well designed, can cause severe disruption to the continuity of funding for essential services to Indigenous communities. This is not only disruptive, but also contrary to the expressed aspirations of the Indigenous people of a particular region, as set down through a consultative process in the Regional Council's Regional Plan. In conducting its investigations, the Commissions must consider the impact of devising a funding formula which might cut across the statutory obligation of the Regional Council planning process, and reduce the ability of the Council to determine funding priorities for its region.

10. ATSIC believes it is very likely that meeting needs in some regions would require a higher initial investment of resources, particularly in areas of essential infrastructure and human resource development.

11. ATSIC will be happy to provide supplementary submissions and further information as the Inquiry gains greater focus in its derivation of indicators of need.

ATSIC's funding role

12. In broad terms, ATSIC is a supplementary funder. Its annual budget of about \$1 billion is small compared to that of mainstream agencies, which are the major service providers to Indigenous peoples. In this sense, ATSIC's capacity to respond to Indigenous needs is very limited.

13. On the other hand, there are instances, such as CDEP, Preservation of Indigenous Language, and others, where ATSIC is the major or only funding agency. Often this is due to failure on the part of governments to meet their service provision obligations.

14. However, even where ATSIC is the major or only funding agency, the funding is insufficient to meet the communities' needs.

15. More generally and seriously, ATSIC's status as a supplementary funder severely limits the effectiveness of ATSIC Regional Councils. Constituted by legislation, the Regional Councils are elected bodies and are the cornerstone of ATSIC but their ability to discharge their responsibilities and deliver on their mandates is constrained by funding conditions imposed by government and the minuscule discretionary funding available to them.

ATSIC believes this is an issue which needs to be considered by the Inquiry.

The ATSIC Budget.

16. The ATSIC budget in 1999/2000 is \$1,058,000,000. \$404,925,413 was allocated to the Community Development Employment Projects Scheme, and \$226,735,239 was allocated to the Community Housing and Infrastructure Program. These two outputs therefore accounted for 68.9% of ATSIC's total program funds (i.e. excluding the Commission's own administrative costs).

Needs determination and decision-making

17. What follows is an overview of needs determination and decision-making for funding allocations at the ATSIC-wide level. Across ATSIC's programs, however, there is variation in methodology for needs determination and funding allocations and at Appendix 1 is an account of the methodology employed in the Community Housing and Infrastructure Program (CHIP).

18. The scope for meeting needs from within the ATSIC budget is confined by a number of parameters. First is the program structure which consists of 22 programs from which grants can be made. Second, all grants programs are classified as either National programs, Regional Council programs, or both National and Regional programs. National programs are decided centrally from the Central Office in Canberra, while Regional Council programs are decided by the Councils, and funded separately from each Regional Council's own budget allocation. A table showing this classification of programs is attached at Appendix 2. Third, the Commission Board issues policy statements and program guidelines applicable to each of the 22 programs.

19. In addition to this, government implements a practice known as "quarantining" by which government requires ATSIC to maintain a certain level of funding to particular programs. This is the case with the CDEP allocation. Most new initiatives supported by the

government also provide quarantined funds allocations. In summary, therefore, there are a number of constraints on the task of determining of need for facilities and services.

20. The determination of needs for services and facilities among Indigenous communities and the priority to be accorded to the various needs is the principal function of ATSIC's Regional Councils, in accordance with Section 94 of the **Aboriginal and Torres Strait Islander Act (1989)**. Each Regional Council is required to prepare a plan for improving the cultural, economic and social status of the Indigenous people living in the area for which the Regional Council is the elected, representative body. There are 35 Regional Councils throughout Australia, the combined areas of which cover the whole of Australia.

21. Indigenous-specific information relevant to the circumstances of Indigenous peoples and communities and their needs varies very considerably. General survey information of the kind collected in the Commonwealth census is useful to Regional Councils (the Census collections and Regional Councils are both based on local government boundaries, so transfer of information from the Census into Regional Council decision-making is logically possible). However, Census data is often not specific enough to be a reliable indicator of need.

22. ATSIC has itself commissioned the collection of information needed for Program decision-making, most notably in the areas of existing housing and infrastructure facilities. Australian Construction Services was commissioned in 1992 to conduct such a survey Australia-wide, covering both existing provisions and unmet needs. A repeat survey covering similar ground has been commissioned from the Australian Bureau of Statistics, and the report will be available shortly.

23. Further, the establishment of two program initiatives in the mid-1990s, aimed at meeting high priority needs for health-related community infrastructure, including housing, was accompanied by a new arrangement for the selective, community-based survey of needs, based on specific, health-oriented criteria, which is then taken as the direct basis for determining the priority ranking of projects. The two program initiatives were the Health Infrastructure Priority Projects (HIPP) program, and the National Aboriginal Health Strategy (NAHS) program.

24. Within its tight financial constraints, ATSIC moved to triennial funding in 1998/99 in the hope that this would allow Regional Councils to respond more effectively to community needs by undertaking long term planning. Especially in the face of a small and reducing budget, there is some doubt that triennial funding has been much help.

Aboriginal and Torres Strait Islander Commission

April, 2000

Appendix 1: A Further Submission by the ATSIC Community Housing and Infrastructure Program.

Appendix 2: ATSIC Program Classification by Output Group

PLEASE NOTE ASSOCIATED ATTACHMENTS FOR THIS SUBMISSION ARE HELD IN THE INDIGENOUS FUNDING INQUIRY LIBRARY AT THE COMMONWEALTH GRANTS COMMISSION