

COMMONWEALTH GRANTS COMMISSION
INDIGENOUS FUNDING INQUIRY
FINAL SUBMISSION

From: Department of Treasury and Finance (TAS)

Submission No.: IFI/SUB/0065

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Our Ref: D/000084 AIJ/WKS

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

Attention: Mr M Nicholas

Dear Mr Searle

I refer to your letter of 20 October 2000 and draft report of the Indigenous Funding Inquiry.

Tasmania would like to thank the Commonwealth Grants Commission for the opportunity to attend the conference held in Tasmania on 8 December 2000. However, Tasmania believes that a written response to the Commission's draft report is also necessary.

Tasmania's comments on the draft report prepared by the Commission are attached for your consideration. In addition, I have also attached a copy of some data from the Tasmanian Healthy Communities Survey comparing responses from indigenous and non indigenous people for your information.

Thank you for the opportunity to respond to your draft report. If you have any further questions please contact Tony Jacques by phone (03) 6233 7166 or by e-mail tony.jacques@treasury.tas.gov.au.

Yours sincerely

D W Challen
SECRETARY

December 2000

Encl

TASMANIA'S RESPONSE
to
THE DRAFT REPORT
of the
INDIGENOUS FUNDING INQUIRY
by the
COMMONWEALTH GRANTS COMMISSION
DISCUSSION PAPER IFI 2000/2

22 December 2000

1. Introduction

Tasmania believes that the distribution of Commonwealth funds on a functional basis is not appropriate. The diversity of the needs of the indigenous population requires decisions about the most appropriate services to be delivered to be made at a level close to that at which the service is delivered. Resource allocation decisions at a national level need to be as broad as possible to give decision makers at a lower geographical level the greatest flexibility in the delivery services to achieve the desired outcomes required.

It is recognised that the terms of reference require the Commission to report on the relative needs in functional areas. However, Tasmania believes that the limited resources available from the Commonwealth need to be allocated with the greatest flexibility. Funds can then be applied to the specific needs of the local community to achieve the broad policy outcomes required.

In addition the Commission identified the diverse needs of the indigenous population and the variety of services which could be needed to address a specific problem. For example, the Commission indicated that to address health problems, services need to focus not only on primary health care, but also housing, infrastructure, environmental health and education. These areas of focus cross all functional areas.

Tasmania suggests that, in order to improve services to indigenous people, greater flexibility in the use of Commonwealth funds, as well as greater coordination between mainstream service providers and services specifically targeting the indigenous population, must be encouraged. It is therefore suggested that the Commission consider a model that allocates a pool of funds to a regional/local management body, which understands the specific needs of their indigenous community. This body would also have the responsibility of working with mainstream service providers in a joint approach to address the needs of indigenous people.

2. Issues of Principle and Practice

Tasmania supports the Commission's view that the measurement of need should be based on outcomes as equality of outcomes is consistent with equity principles. However, as indicated by the Commission, due to the geographical diversity of the indigenous population, equality of outcomes may not be achievable. Also, Tasmania does not believe that the available data is sufficiently robust to be used as a basis for resource allocation decisions.

Tasmania supports the Commission's assessment that the present system of distributing funds on the basis of measurable indicators needs to be reviewed. However, as indicated by the Commission, there are few reliable databases available to support resource allocation decisions on the basis of demand and outcomes.

Tasmania agrees with the Commission that funding decisions need to reflect local circumstances and the cultural diversity of indigenous peoples. This can not be measured. Thus, as the Commission concluded, a formula based approach to resource allocation cannot be used by itself.

Commonwealth funding for indigenous people should supplement not replace mainstream services. These funds should be applied where it is necessary for a State to provide additional alternative or special services to ensure an appropriate service delivery to indigenous people which cannot be met through mainstream services at present. Tasmania believes that the measurement of need for funding must reflect the level of supplementation needed not the absolute level of need.

Tasmania agrees with the Commission's observation that mainstream services do not always meet all the needs of specific groups, especially indigenous people. However, in Tasmania the indigenous population is dispersed through the overall community. Therefore, mainstream services are the most efficient way to deliver services. In addition, mainstream services are often the only source of personnel with the skills to delivery the necessary services to the indigenous community.

To improve the indigenous population's utilisation of mainstream services, Tasmania believes that it is necessary to increase the awareness, of mainstream service providers, of the specific needs of the indigenous people. However, to ensure that the indigenous people are not disadvantaged it is also necessary to provide services specifically for indigenous people. Due to the dispersed indigenous population in Tasmania these services are expensive but necessary.

The interaction between mainstream services and specialised services for indigenous people means that it is essential that mainstream service providers be involved in resource allocation decisions.

Tasmania agrees with the Commission that the measurement of need must include some recognition of the differential in costs incurred in the delivery of services. The need to take account of the capacity to deliver is also supported. However, this measure will be difficult to quantify at a national level and would be best managed at a lower geographical level.

3. Intergovernmental Relations

All state and territory (states) Treasuries have worked with the Commonwealth Departments of Finance and Administration and Treasury to develop a set of guidelines in relation to specific purpose payments from the Commonwealth to the states. These guidelines will encourage a cooperative approach between the states and the Commonwealth to address issues and focus on measuring the performance of programs in terms of outcomes not inputs.

Tasmania believes that this model could also apply in relation to the funds provided by the Commonwealth to supplement mainstream services for indigenous people. The model provides sufficient flexibility to:

- enable decisions on specific service needs to be made at the lowest geographical level;
- encourage greater coordination between state funded mainstream services and services specifically for indigenous people;
- allow greater participation in decision making by indigenous people; and
- reduce uncertainty over which level of government is responsible for service delivery.

Tasmania does not support the use of strict input controls as a tool for the Commonwealth to influence service delivery. A more constructive approach is the monitoring of outputs/outcomes and a joint approach to solving problems when outputs/outcomes are below expectations.

4. Health Matters

Tasmania supports the Commission's statement that health status can be improved by greater access to health services, especially primary health care services, and by improvements in housing and related infrastructure, environmental health, nutrition and education.

The variety of options to improve health status clearly demonstrates that decisions on priority for the types of services to be provided must be made at the lowest geographical level

practical, rather than at a national level. These decisions can be made in consultation with the community and other service providers.

Tasmania is currently developing a health plan for indigenous people in the State. It will provide comprehensive information on the type and location of services needed. The plan is being developed in conjunction with a variety of groups representing indigenous people.

The provision of Commonwealth funds under broad policy objectives, and resource allocation decisions by indigenous community representatives in consultation with mainstream service providers, would assist in the implementation of this health plan.

Tasmania agrees with the Commission that it is necessary to reform mainstream health services, in particular primary health care services, to ensure increased use by indigenous people. It is important to ensure that health care professionals are more aware of the needs of the indigenous people.

5. Housing Matters

Tasmania supports the proposals in the Commission's draft report.

The State's housing authority is creating an Aboriginal Housing Unit and an independent Aboriginal Housing Board. The Commission's proposal to pool the Aboriginal Housing Program and Community Housing Infrastructure Program will provide greater flexibility in the delivery of housing services to the dispersed indigenous population in Tasmania.

The new Board will enable the indigenous people to have a greater input into the management of the resources available to indigenous people.

6. Infrastructure Matters

Tasmania agrees that the provision of infrastructure in remote communities is a major issue. Infrastructure services are the responsibility of state and local government. It is therefore important that they be involved in the provision of these services and work with regional/local management bodies which understand the specific needs of their indigenous community to provide essential services.

7. Education Matters

Remote/Urban Issues

The issues raised in the draft report do not reflect Tasmania's unique situation. The Aboriginal population of Tasmania is a dispersed population with few large concentrations, as demonstrated in ABS figures. Mainstream schools and colleges throughout the state must meet the education needs of Aboriginal people.

This means that it is not possible to concentrate effort on a few large school populations or geographical regions. Instead, in order to deliver education to Aboriginal students in Tasmania, every school, college and teacher must be involved in Aboriginal education programs. Whilst it is accepted that there are major infrastructure and staffing problems for education in remote communities, the relative proximity of schools in Tasmania does not necessarily mean ready access to appropriate, inclusive and effective education. In issues of

equity the unique situation of the State ensures that it cannot be dealt with via a simple urban/remote classification.

Tasmania's unique demographic characteristics add to the difficulty associated with year 12 retention. Aboriginal students from rural areas have been particularly disadvantaged by problems of transport and accommodation, reducing their access to year 11/12 in colleges which are located in the larger cities and towns. This is obvious in the large gap in retention rates apparent in table 9.4 on page 124 of the report. An apparent retention rate for Aboriginal students that is half that of non-Aboriginal students indicates the extent of the rural/urban divide, even if, by mainland standards, the distances separating young people from educational services seem insignificant.

Commonwealth Involvement

Tasmania does not agree with the view of the inquiry that the Commonwealth has little control over state spending of Commonwealth funds, in particular funds for education programs. The Indigenous Education Strategic Initiatives Program (IESIP) and the National Indigenous English Literacy and Numeracy Strategy (NIELNS) have tightly worded targets attached to funding. The Commonwealth set a number of targets without negotiation with the Ministerial Council on Education Employment Training and Youth Affairs.

Accounting for Commonwealth funding has been a feature of the program since the inception of the Aboriginal Education Policy in 1990. IESIP programs are monitored twice in each year, report annually and additionally involve Indigenous Education Consultative Bodies in that process of accountability. In addition, Department of Education Training and Youth Affairs staff actively participate at the state and national level in the direction of Aboriginal and Torres Strait Islander education policy and program guidelines.

Tasmania has found that Commonwealth involvement does not recognise the differences in the characteristics of the indigenous people between the states and between communities within states. The Commonwealth often demonstrate a lack of flexibility in the provision of services to meet the specific needs of local indigenous communities.

Cultural Models

The emphasis on Aboriginal and Torres Strait Islander first languages in the report suggests that Aboriginal and Torres Strait Islander urban, English speaking cultures are in some way inferior. Vibrant Aboriginal cultures also exist in urban settings and have successfully survived the destruction of language.

Community Control

Tasmania shares the concerns noted in the report that relate to Aboriginal participation in decision making. Tasmania's Department of Education (DoE) is committed to the creation of effective partnerships and this issue is already of concern. To that end, the DoE has moved to restructure some IESIP and NIELNS funded programs to address this issue, accepting that much more needs to be done about local empowerment of Aboriginal people in school communities and also within DoE structures.

It is the intention of the DoE to introduce regional clusters of schools to deliver the NIELNS program in the State. A key element of the clusters will be the active involvement of the local Aboriginal community in the schools. This will be enhanced by the employment of Aboriginal people to facilitate and support communities to become effective partners in the education of Aboriginal students. Effective committees already exist in secondary colleges that emphasise Aboriginal community and student involvement in decision making and there

is already a small but significant participation of Aboriginal people in school councils and local advisory bodies.

8. Employment Matters

Tasmania supports the need to improve employment opportunities for indigenous people. However, it must be recognised that it is inappropriate to strive to achieve national targets in relation to employment levels. Many indigenous people live in remote areas where employment opportunities are low or non-existent. Needs assessments in relation to employment funds require an additional assessment of the achievable outcomes.

Assessments of achievable outcomes are not possible at a national level. Decisions need to be made at a lower geographical level.

9. Training Matters

Tasmania supports the Commission's statement that training should not be provided just to increase participation rates. Training must reflect the needs of the community and the local labour market. Again, decisions on the most appropriate use of resources must be made in conjunction with state government service providers and the representatives of the indigenous people.

Tasmania believes that the nine barriers to participation and successful outcomes listed in section 40 apply as equally to Tasmania, with its highly dispersed indigenous population, as they do to other states and territories.

The structural inequities listed in sections 43 – 50 also apply to Tasmania, which is not part of the “metropolitan, industrialised Australia” described in section 45.

Increased flexibility and a shift in funding requirements and guidelines is supported by Tasmania (Sections 48 and 55). Current experience with the NIELNS strategy in relation to Vocational Education and Training (VET) is an example of the need for greater flexibility.

The references made to high delivery costs are as relevant in Tasmania as in other states and territories. Counselling and tutoring support increase the cost of delivery to indigenous students in Tasmania. Relatively small numbers of indigenous people spread widely around the State also increase delivery costs.

In relation to outcomes from enrolments (sections 18, 19 and 20), Tasmania will be interested in data still to be obtained by the Review. Of particular interest will be whether Tasmanian outcomes reflect the metropolitan norm of East Coast capital cities or are closer to the outcomes for mainland remote communities.

10. Other Issues

Tasmania agrees that mainstream service providers do not always see their responsibility to indigenous people as clearly as they should. This is often the result of decisions made in relation to the allocation of limited resources. As the Commission has indicated, funds for services to indigenous people are often seen as an alternative to, rather than supplementary to, mainstream services. If a section of the community is seen as being able to access services

from another source they are often given a lower priority for access to a mainstream service where demand exceeds supply.

A joint approach at a regional/local level by service providers and regional/local management body would:

- increase awareness of the specific needs of indigenous people by mainstream service providers; and
- discourage mainstream service providers from assuming that indigenous people have a lower priority for services as alternative services would be available to them through services specifically for indigenous people.

Key Healthy Communities Survey Data, Tasmanian Adults 18+, by Indigenous Status, 1998

HCS raw data has been weighted by age, gender and geographic area, to be representative of Census estimates of Aboriginal and Torres Strait Islanders population, or whole population, as appropriate.

All estimates reported have a Relative Standard Error below 27%, and are statistically significant at a 95% Confidence Interval (using a t-test).

There are three points to be aware of when using the data:

The survey population was selected from the Electoral Roll, which fortunately had been updated very recently. It still may not include all aboriginal people in Tasmania.

There may be different interpretation of questions, and different implications of responses, by aboriginal people, compared to those of non-aboriginal people.

The survey used the recommended ABS question: Are you of Aboriginal or Torres strait islander origin? Some agencies use additional questions about identification as aboriginal, and availability of proof of recognition as aboriginal by community organisations.

	Indigenous	Non Indigenous	% of Respondents (indigenous status known) who Skipped the Question*
DEMOGRAPHICS			
Much more likely to be unemployed	8.6%	5.1% ^c	7.1%
Nearly twice as likely to be permanently unable to work	7.3%	3.8% ^c	7.1%
Not at all satisfied with job security	10.8%	6.5%	15.3%
Live alone	5.6%	12.3%	n/a
Live with more than 4 people	20.5%	12.4%	

ECONOMIC WELLBEING

More than twice as likely to say they always or very often can't afford to eat properly	8.5%	3.4%	5.9%
More than twice as likely to say they very often feel they have a lack of control over their financial situation	11.5%	7.7%	3.5%
More than twice as likely to say they find it very difficult to meet their financial needs at the moment	6.7%	3.1%	1.0%
Have had difficulties in the last year in meeting financial needs	47.8%	29.5%	1.0%
Did not purchase a prescription ordered by a GP due to financial problems*	40.5%	28.3%	10.2%
Proportion in bottom 2 income quintiles (ie bottom 40% of all the personal incomes in the whole adult population)	49.1%	39.6%	n/a
Proportion who consider Amount of Money they have Relative to Other Australians', to be worse or much worse	35.4%	18.9%	3.5%
Proportion who consider Amount of Debt they have Relative to Other Australians', to be worse or much worse	24.0%	10.2%	7.8%