

COMMONWEALTH GRANTS COMMISSION
INDIGENOUS FUNDING INQUIRY
SUBMISSION

From: ATSIC – Victorian State Office

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**THE COMMONWEALTH GRANTS
COMMISSION
INDIGENOUS FUNDING INQUIRY**

Draft Report of the IFI – October 2000

**RESPONSE AND SUBMISSION FROM THE
VICTORIAN STATE OFFICE OF ATSIC,
INCORPORATING BINJIRRU AND TUMBUKKA
REGIONAL COUNCILS**

Introduction

The Victorian State Office of ATSIC, incorporating the duly elected Binjirru and Tumbukka Regional Councils, welcomes the opportunity to contribute again to the Indigenous funding Inquiry being undertaken by the Commonwealth Grants Commission. This submission flows from the presentation of the *Draft Report* of the Indigenous Funding Inquiry and the Draft Report Conference held in Melbourne on December 7.

This submission will attempt to focus on issues raised in the first half of the *Draft Report* - particularly the issues raised in “Main Findings”, Chapter 3, Chapter 4 and Chapter 5. ATSIC has communicated firmly to the Commonwealth Grants Commission on the limitations inherent in the Inquiry’s Terms of Reference. There is no point to restate the arguments in this submission, except to say that the Inquiry’s Terms of Reference are partial and incomplete in nature and the Inquiry should acknowledge that the Terms of Reference precluded important factors from being considered as part of this Inquiry, such as legal, cultural and land-based issues. Generally, ATSIC Victoria’s submission will not attempt to analyse nor evaluate Chapters 6 to 11, the parts of the *Draft Report* which represent the functional areas of Indigenous funding the Commission were empowered to investigate by their Terms of Reference. Where the Commission has erred in its description of events or affairs in Victoria, however, this submission will correct the error as it sees fit.

This submission will proceed on the basis that the Inquiry was established in good faith to improve the quality of life enjoyed by Indigenous people in Australia. ATSIC Victoria hopes that this is an overriding concern shared by the Inquiry, a concern that it ought not to be distracted from by:

- pressures to institute complex mathematical models and indexes,
- the parochialism of State government administrations who hope to use the Inquiry as a forum for pushing a State’s fiscal position,
- glib pronouncements of partnership and consultation that regularly arise from mainstream government agencies, and
- entrenched but unsatisfactory fiscal arrangements and clashes between the Commonwealth and the States that serve to push Indigenous people into the background.

ATSIC Victoria regards the format of the *Draft Report* as quite difficult to interpret. The succession of stand-alone paragraphs means that arguments are difficult to follow, link and engage with. While ATSIC would prefer to present its submission thematically, it believes that the most effective format for its submission is along lines similar to the Draft Report. Consequently, we will interpret the Report in a sequential manner and raise issues against paragraphs we regard as contentious, incomplete, or deserving of comment.

Comment

As suggested, this section will focus on specific paragraphs or sub-paragraphs we believe deserve some form of attention. A left-hand column will clearly identify the number and location of the paragraph.

Paragraph	Comment
Main Findings	
P. 11	<p>Ever since the cessation of the ATSIC's CYS program, Indigenous community organisations have been struggling with the 'capacity . . . to deliver' programs they are funded to provide. Indigenous funding agencies pay little attention to an organisational need for a human and physical infrastructure required to plan, manage, deliver and support funded services. Victorian Indigenous organisations are still coming to terms with the damage inflicted by the cessation of the CYS program, a program which addressed many capacity issues, including provision of bookkeepers, administrators or administrators.</p> <p>This is a key strategic issue for many organisations. In the area of health, the Department of Human Services (Victoria) assumes that Aboriginal Medical Services have their core capacities fully resourced and consequently throws money that is tagged in various ways at such services. The fact is, however, that the baskets of money are creating more problems for organisations that what they are worth.</p>
P. 14	<p>ATSIC would like to reiterate that it has concerns about the quality of data collections used to determine funding priorities. More needs to be done by the various agencies to improve the situation.</p>
P. 21	<p>ATSIC thinks that one of the positive aspects of the Inquiry is the prospect to clarify "a federal system that blurs responsibility between levels of government." The three tiers of government often shift costs and responsibility one way or the other and despite an increase of inter-governmental agreements there is still significant confusion in the area. If the final report was able to provide a simple and consolidated set of governmental responsibility and level of responsibility across the functions identified in the Inquiry it would certainly facilitate better consultation by Aboriginal stakeholders and representatives.</p> <p>The Inquiry should also make some effort to simplify the "complex funding arrangements" at the inter-governmental level. ATSIC realises that the funding arrangements are difficult in nature but at some level the fiscal relations between the Commonwealth and the states in relation to Indigenous affairs needs to be accessible to Indigenous organisation and their representatives, otherwise bureaucracies are still in the prime position to determine decision-making agendas.</p>
P. 24	<p>ATSIC agrees that the Commonwealth should exert more control over the direction of SPPs and that the Commonwealth should better monitor such arrangements to ensure that Indigenous needs are being met.</p>
P. 32, 35 P. 69 (Chap. 5)	<p>The approach outlined in P. 35 presupposes a level of partnership and collaboration unseen in this state. The functional multi-party</p>

<p>P. 12-13 (Chap. 7)</p>	<p>approach currently in place (the Victorian Advisory Council on Koori Health – a non-indigenous controlled body) is just beginning to move beyond information sharing to joint planning. A multi-party approach does not exist with regard to housing, infrastructure, education, and employment. In our opinion, the approach outlined by the submission would not attract parties unless rewards (or sanctions) were put in place for releasing identified funds to State-level Indigenous controlled bodies.</p> <p>A significant level of territorialism exists in specific functional areas across the levels of government. The our program/your program mentality is illustrated in the housing area in Victoria. The ATSIC CHIP housing program and the State’s Aboriginal Rental Housing Program and the Public Housing Program run separately. ATSIC efforts to advance negotiations on a bilateral housing agreement with the State have encountered disinterest. Attachment 3, Table C-3 comments that a bilateral agreement on housing in Victoria is at an ”advanced stage” and that it is being delayed by the uncertainty of Commonwealth arrangements. This is erroneous. It is difficult to bring State and Commonwealth parties to the table despite the Commonwealth Minister for Aboriginal Affairs assuring parties to a bilateral agreement that any such agreement will be honoured.</p> <p>ATSIC seeks more detail on the approach outlined in P.35 and specifically wants the issue of compulsion (of the parties) to share control addressed. As suggested, this mechanism would need to be resourced, but it will also need to be championed by the Commonwealth and its agencies if is to work.</p>
<p>P. 36(vi)</p>	<p>The ATSIC Regional Councils are improving their capacity to effectively influence governmental decision-making around them. The Binjirru and Tumbukka Regional Plans recognise the policy context in which they operate but, unless goodwill subsists in a particular area, they struggle to have their voices heard.</p>
<p>P. 40 P. 18 (Chap. 6)</p>	<p>ATSIC is encouraged that the CGC has a flexible attitude to the two broad approaches to measuring need in the area of health - a multivariate approach and the minimum level of service approach. ATSIC fears that rigid criteria in this area would adversely impact on community-controlled health organisations in Victoria. ATSIC sees benefit in combining these two approaches: having services funded on a minimum level of service approach (accounting for core funding items including funds for administrator, bookkeeper, researcher) in the first instance and then superimposing a multivariate approach to take account of specific locational issues.</p>
<p>P. 42</p>	<p>Indigenous people’s poor access to adequate primary and acute health care is largely a result of the Commonwealth focussing on supporting community controlled health services at the expense of monitoring what other primary and acute health care providers are</p>

<p>P. 62-4</p> <p>P. 72</p> <p>P. 76</p> <p>P. 87</p> <p>P. 93</p>	<p>doing to address Indigenous people’s reluctance to use mainstream services.</p> <p>As far as ATSIC is aware, the Victorian Department of Human services do not have a well articulated strategy to improve the access plans of mainstream primary health and acute care providers</p> <p>See comments above in relation to P. 32 and 35. Although ATSIC is committed to the bilateral agreement processes the State Office of Housing (incorporating the Aboriginal Housing Board Victoria) and the State Minister for Housing do not regard it as an ”essential step in a reform process’. It should be noted that the AHBV manages rather than controls ARHP stock. In other words, the Office of Housing is unwilling to divest itself of control.</p> <p>The ATSIC Regional Councils are not functionally integrated into any decision-making processes in education. The Regional Council Chairpersons have no formal relationship with either DETYA or the State Department of Education. It appears that DETYA prefers to have an unmediated relationship with IESIP fundees and sees no beneficial reason to involve ATSIC Regional Councils in its planning.</p> <p>As the <i>Draft Report</i> states, targeted Indigenous funding is small relative to mainstream funding, which suggests that the allocation of SPPs to the States in the area of education needs to be more transparent.</p> <p>ATSIC believes that a multi-party forum (ATSIC Regional Councils, the Victorian Aboriginal Education Association Inc. as the peak Aboriginal agency for education, DETYA and the State Department of Education) in the area of Indigenous education would serve to improve outcomes for Indigenous students in the state. It would ensure Indigenous participation in the ‘hands on’ delivery of education.</p> <p>ATSIC Victoria agrees with the Draft Report’s statement. CDEP will not improve as a program unless training funds are explicitly provided as part of CDEP funding allocations.</p> <p>ATSIC is supportive of the multi-party arrangements outlined in this paragraph being established in Victoria</p>
<p>Chapter 2</p>	
<p>P. 19</p>	<p>The experimental index of Indigenous Socio-economic disadvantage by ATSIC Region is an outcome of the Draft report that concerns ATSIC Victoria. The release of the index presumes that government departments are mature enough not to use it as a league table of disadvantage (or advantage) and ATSIC Victoria is wary that a simplistic use of the table by departments would adversely affect communities in real need in the Binjirru and Tumbukka regions.</p>

	<p>Although the CGC intends to and has warned the levels of government about the inherent limitations of the index, ATSIC fears that it may create more problems that it will resolve. ATSIC Victoria believes that far more appropriate and useful information for the State would arise from a relative comparison of Indigenous needs and non-Indigenous needs in the state.</p>
Chapter 3	
P. 11	<p>The Australian federal structure of government has the States as the major service providers of ‘citizenship’ services. ATSIC has welcomed the whole-of-government efforts in Victoria to distribute political responsibility for Aboriginal affairs across a number of portfolio areas (Housing, Education, Health and Human services, Justices, Attorney-General), but are concerned that the administrative levels of government are not mirroring this process of shared responsibility. The Victorian Government intends to report annually on cross-portfolio measures relating to Indigenous matters and will release budgets on Indigenous-specific programs. ATSIC Victoria is looking forward to this arrangement, but also considers reports and budgets on Indigenous elements within mainstream areas to be of high importance. The mainstream State government areas of health, housing, education and training ought to make transparent their budgets directed to the service delivery of Indigenous citizens. ATSIC Regional Councils have a positive relationship with Aboriginal Affairs Victoria, but efforts to discuss access issues with mainstream areas are often countered with the response that we should talk to AAV.</p> <p>ATSIC Victoria believes that the <i>Draft Report</i> does not adequately canvass the ‘citizenship services’ provided by local government in Victoria. Local government is charged with having far greater responsibilities than just ‘infrastructure provision’ in Victoria: they provide social and community services that are designed to respond to diverse local needs. ATSIC Regional Councils have very good relations with some local governments, but are concerned that the State Office of Local Government does not compel local government bodies in Victoria to report on their activities for Indigenous people. The compulsory reporting regime in NSW has served to explicitly involve Indigenous people in local government decision making, and unless a similar compulsion regime is introduced in other states, Indigenous communities will be reluctant to be part of local government processes. ATSIC experiences also indicate that Local government bodies are serious offenders of the practice of diverting Indigenous people to their “own” departments and programs.</p>
P. 57	<p>ATSIC accepts the conclusion stated in this paragraph that allocation mechanisms “usually leave room for judgement”. This point is particularly critical for ATSIC and its Regional Councils because it regularly identifies people, which are neither elected by Indigenous communities or representative of Indigenous</p>

	<p>communities. making far-reaching judgements for and on behalf of Indigenous people. Except in the case of ATSIC Regional Councils, allocation judgements at the Commonwealth, State and local government levels are generally made by public service personnel or by ad hoc conglomerations of government and self-appointed Indigenous representatives. Judgements made by convenient adjudicators can have far-reaching consequences in the Indigenous communities and ATSIC stresses the importance if transparent decision-making that seriously involves elected representatives of Indigenous communities.</p>
Chapter 4	
P. 13	<p>Although, partnership is a comparatively new concept in the area of Aboriginal and Torres Strait islander affairs, it is a buzzword becoming increasingly current. It is our view that partnerships exist on a continuum: there are good partnerships, bad partnerships that are still essentially partnerships and exploitative partnerships that in reality are not partnerships at all. In our view partnerships presume a level of equality (in resources, expertise and size) between the parties coming into an arrangement, and if the parties are not similarly weighted the prospects of a beneficial partnership are diminished. Equal and open partnerships between Indigenous communities and government are the most likely to provide real outcomes for Indigenous people, but in the majority of cases the partnerships ate less the equal. If governments do encourage partnership, they tend to encourage it on their own terms, with an easily led or vulnerable partner. ATSIC Victoria currently does not have the capacity nor resources to be a fully-fledged partner with either Commonwealth or State government departments, and Indigenous communities (or organisations) even have less capacity, because they are often not funded to value-add to their activities by entering partnerships. For example, it is difficult to imagine a situation in which an Indigenous housing organisation will be able to equally, or near to equally, partner the State Office of Housing. We request that the CGC be extremely wary of partnership arrangements that cloak relations of dependence and reliance, and that the Final Report articulate a clear and unambiguous concept of partnership that meets fundamental criteria of equality and openness. Leaving partnerships open to interpretation is an invitation for the stronger partner to set the agenda.</p>
P. 19	<p>ATSIC Victoria strongly supports the view that Indigenous people need to be involved in decision-making for mainstream services, and not just Indigenous specific services. This view again relates to the capacity of indigenous communities to be actively involved, and the Commonwealth and the State adequately funding the building of such capacity.</p>
Chapter 5	
P. 21-3	<p>The general revenue assistance provided by the Commonwealth to local government, which can be spent as the local council thinks</p>

<p>P. 38</p> <p>P. 45(ii)</p> <p>P. 51 (ii-iv)</p> <p>P. 53(iii-iv), 63</p>	<p>appropriate, could be effectively balanced by the institution of mandatory reporting arrangements on a local council's Indigenous service delivery. The problems Indigenous communities have with the general revenue received by local councils, part of which is attributable to local Indigenous populations, is that the local councils, apart from standard reporting measures, do not have to report on how they assisted local Indigenous communities. ATSIC realises that the institution of a mandatory reporting regime on local government is a matter of State legislation, but we think the CGC should provide advice to the Commonwealth that it ought to adopt a leadership role (possibly through COAG) on this issue, and that it ought to attempt to influence State government thinking on the matter.</p> <p>Effective partnerships ought to have an agreement underpinning them; partnerships in the abstract, without documentation, are generally open to manipulation. ATSIC has been working hard on a process of convincing Regional Councils and the relevant levels of government that they ought to use Regional Agreements where they are appropriate. In a complex area of Indigenous affairs occasional and formal agreements are a good way to keep the partners honest.</p> <p>The fiscal capacity of Indigenous decision-makers within the current resource allocations is limited even within the peak representative agency for Aboriginal and Torres Strait Islanders, ATSIC. Regional Councils only have a small discretionary budget at their disposal for their regions, most funds (80-90%) being quarantined in the program areas of CHIP and CDEP. While Regional Councils can adjust the internal distributions of these programs, they do not have the fiscal capacity to allocate quarantined funds to another functional area.</p> <p>Despite the formal arrangements of the Victorian Advisory Council of Koori Health, issues in relation to the complementary role of State Government, mainstream engagement and the presence of undesirable perceptions continue to bother VACKH.</p> <p>ATSIC Victoria would like to see the operations of existing and new SPPs improving in a way that enables Indigenous communities to have greater control and awareness of them.</p>
<p>Chapter 6</p>	
<p>P. 28, 40</p>	<p>ATSIC Victoria would like to see a mechanism by which the Commonwealth can influence the States (possibly through the AHCAs) to improve the acute care profile of mainstream health service providers. As I have already mentioned, the Commonwealth's focussed approach to primary health care provision has allowed the States (and hospitals) to shirk some of their responsibilities in relation to acute care provision to Indigenous peoples. In Victoria, for example, the Indigenous</p>

<p>P. 50</p> <p>P. 56, 70-1</p>	<p>Liaison Officer program has stagnated and has not met the objectives it set for itself a decade ago. Support and accommodation services in metropolitan hospitals are also issues that need to be picked up as part of the acute care profile.</p> <p>Access to primary health care services in cases where Indigenous people live on the outskirts of metropolitan centres, do not have easy access to an ACCHS and where there is no local bulk-billing GP continue to be a major problem. ATSIC Victoria has had reports that bulk billing GPs are decreasing in particular areas of the state.</p> <p>The Primary Health Care Access Program compels State Indigenous health forums to submit Regional Plans if they desire funds from this substantial program. While the rationale and philosophy behind PHCAP is sound, it has opened up a ‘first in, best dressed’ process which does not account for the fact that State forums are at different developmental stages in regard to their capacity to develop a Regional plan. The ‘first in, best dressed’ approach is not fair on a range of measures and punishes cases where the development of a Regional plan is beset by contextual problems.</p>
<p>Chapter 7</p>	
<p>P. 12-14, 74-6</p>	<p>Sectional interests are thwarting a Bilateral Housing Agreement in Victoria. The lack of an agreement has meant that common interests in the area of Indigenous housing have not been strategically managed, including Indigenous communities’ capacity to exert influence over mainstream public housing.</p> <p>Victoria is long way from having an “Indigenous controlled housing body (sic) . . .managing existing assets and future resources”.</p> <p>The Draft Report’s confidence about the bilateral agreement approach is misplaced and is belied in Victoria by complex inter-governmental relations that rarely provide evidence of the divestment of State power.</p>

Conclusion

ATSIC Victoria and the Binjirru and Tumbukka Regional Councils will eagerly await the Final Report on the Indigenous Funding Inquiry being undertaken by the CGC. We trust that the CGC will consider carefully the comments made in this submission, and the comments made at the Conference on December 7. We acknowledge the Inquiry for the opportunities it provided Victoria’s Regional Councils and we wish it the best of luck with its deliberations in the early part of 2001.

Marion Hansen
ATSIC Commissioner, Victoria

Troy Austin
Tumbukka RC Chairperson

Daphne Yarram
Binjirru RC Chairperson