

COMMONWEALTH GRANTS COMMISSION

INDIGENOUS FUNDING INQUIRY

FINAL SUBMISSION

From: Department of Prime Minister and Cabinet

Submission No.: IFI/SUB/0068

Date Received: 22/12/2000

Mr Alan G Morris
Chairman
Commonwealth Grants Commission
Cypress Court
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CANBERRA ACT 2612

Dear Mr Morris

I am writing in response to your call for written comments on the draft report of the Indigenous Funding Inquiry.

While the effort involved in preparing the draft report is appreciated and it is understood that it is meant for consultation purposes only, the Department is concerned that the Inquiry appears to be departing from its terms of reference and that the value of the final report may be diminished because of this.

The government's policy priority for the Commission's current Inquiry was to develop measures for distributing existing government funding to regions based on relative need. As part of his submission to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs inquiry into the needs of country and metropolitan urban dwelling Aboriginal and Torres Strait Islander people, the Minister for Aboriginal and Torres Strait Islander Affairs has obtained some useful information from the Australian Bureau of Statistics (attachment B) which indicates that there are differing levels of need. The government is looking to the Commission for a way to measure these differences. Although the Commission has undertaken substantial work to reach this point in the process it is not clear that the government's primary objective for this Inquiry has been sufficiently at the forefront of its deliberations and hence, progress in this area is not as advanced as we would have expected by this stage.

My feeling is that the Commission has been diverted from its major priority (see Terms of Reference 4) into areas of intergovernmental relations, investigations into the nature of programme functions and implementation issues. While obviously important, these are not central to the Inquiry and indeed are the subject of other activity being sponsored by government. The primary focus of the Commission's efforts leading up to March 2001 should be to develop indices of relative need.

It is important that the Commission reflects a factual and objective approach when fulfilling its reporting responsibilities. Evidence collected should be substantiated and the Commission should be wary of giving weight to anecdotal evidence particularly in areas where detailed statistics are available. The report also makes a number of subjective comments about performance of government programmes. While I do not think the Commission has been asked to do this, I trust that submissions from relevant agencies will point to real advances and that this information will be taken on board by the Commission.

The draft report begins to explore issues to do with community capacity building and indigenous participation in decision making. It was not the government's intention for the Inquiry to invest much effort in these areas. The government has recognised community capacity building as an area for attention and work is currently underway. In terms of indigenous participation in decision making, the government is committed to partnerships with indigenous people and recognises ATSIC as the principle indigenous source of advice to government.

I hope this input will assist you in working towards the Inquiry's final report.

Yours sincerely

Russell Patterson
Assistant Secretary
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Office of Indigenous Policy

December 2000

SUMMARY OF THE GOVERNMENT'S INDIGENOUS AFFAIRS POLICY

The government's principal focus in reducing indigenous disadvantage is on measures that will improve indigenous status in terms of health, housing, education and employment. The government aims to achieve this through equitable access to and outcomes from mainstream programmes and services supplemented by indigenous specific programmes and services that recognise the particular circumstances and unique needs of many indigenous people.

As you are aware the government has provided \$2.3 billion for indigenous specific programmes in 2000/2001, an unprecedented amount. As the draft report points out, these special programmes are meant to complement rather than replace those mainstream programmes and services that are available generally to all eligible citizens. Indigenous specific programmes should be used in areas where mainstream programmes are inappropriate or non-existent or in ways that will lever better long term outcomes from mainstream programmes and services.

An important issue for government is how best to meet the needs of a growing indigenous population. That growth is occurring mainly in urban areas, both through natural growth and through migration from rural areas. The view of government is that indigenous specific resources must be allocated to areas of greatest need and that mainstream resources can be better utilised to address the balance of need. Simply providing more indigenous specific funding without an overall strategic context that encompasses all programmes and services will not generate lasting results.

Senator Herron's submission to the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs inquiry into the needs of country and metropolitan urban dwelling Aboriginal and Torres Strait Islander people is provided for your information at attachment B. This submission is based on research undertaken by the Australian Bureau of Statistics (ABS). The ABS work discussed in the submission compares indigenous outcomes with those of the non-indigenous population. This comparison confirms that indigenous people are worse off, wherever they may live, but generally more so in remote areas. In urban areas they have access to the usual range of government programmes and services, but some, perhaps for cultural reasons, choose not to access those services. Generally, it is more efficient and desirable to adapt and modify those services than it is to create separate services in urban areas and the government is working to make mainstream services more responsive to indigenous needs.

As well as pursuing better access to mainstream resources and improved targeting of indigenous specific resources, the government recognises the importance of building the capacity of indigenous people to be able to engage with government in order to generate better results. Recent initiatives by government in family violence and through the Stronger Families and Communities Strategy recognise the importance that the government places on community capacity building. Senator's Herron and Newman recently convened a roundtable discussion with prominent indigenous and non-indigenous Australians on community capacity building. A copy of the principles developed from that process is at Attachment C. A working group drawn from the roundtable will be providing ongoing advice to the government on this fundamentally important issue.

The government has been pursuing the notion of partnerships as a means of improving outcomes. On 3 November 2000 the Council for Australian Governments (COAG) agreed to a new national approach in Aboriginal and Torres Strait Islander affairs, based on partnerships and shared responsibilities with indigenous communities, and programme flexibility and coordination between government agencies, with a focus on local communities and outcomes. In respect of the COAG decision, the Prime Minister has asked portfolio ministers to review their programmes and services to improve responsiveness to the needs of indigenous people. This review will consider the extent to which programme guidelines allow for flexible local community responses. Other jurisdictions have agreed to take similar action. To further improve access to mainstream programmes and services, Ministerial Councils have been asked to develop action plans and indigenous monitoring strategies for services and begin annual reporting against these. Ministerial Councils have also been asked to report to COAG on progress in 12 months.

A senior officials working group chaired by this Department with representatives from all jurisdictions has been charged with the responsibility for co-ordinating the implementation of the COAG decision.

The draft report makes several assertions about the level of general indigenous disadvantage without putting these assertions in the context of gains which have been made. For example, the proportion of indigenous Australians who own their own home has increased from 1 in 4 to 1 in 3 since the 1970s. The proportion of indigenous students completing high school has quadrupled over the same period. In 1994 there were just 650 indigenous apprentices and trainees, but in 1999 there were 4,600. The indigenous infant mortality rate has been cut from about 8 percent in the early 1970's to about 2 percent today. Indigenous higher education enrolments have tripled over the decade from 1987 to 1997. At least 15 percent of the continent is now Aboriginal owned or controlled. The Aboriginal imprisonment rate relative to that of non-Aboriginals has been trending down (and over the past 3 years on average per capita deaths in prison custody for Aboriginals have been lower than for non-Aboriginals).

I am also concerned about the report's treatment of government efforts in indigenous affairs and the assertion that apart from housing and infrastructure, few gains have been made. While relevant agencies will make substantive comment in respect of their areas of interest and before I make observations about the report in relation to the terms of reference, it may be useful to the Inquiry if I set out the overarching strategic approach that defines government directions in indigenous affairs.

There are however a few specific comments that I should make. In terms of health, the Commonwealth has increased expenditure on indigenous specific health programmes by 50% and while there have been improvements, substantial returns on this investment will take some time to be realised. There has been considerable gains in education over recent years and recent changes to the way in which the Commonwealth relates to State governments on these matters will ensure better outcomes in the future. The Department of Education, Training and Youth Affairs can provide more detail on these measures.

The report's observations about ABSTUDY and the suggestion of the review go well beyond the terms of reference and do not appear to be based on objective evidence. Quoting ATSIC's consultancy report on this issue without substantiation is inappropriate.

On another matter, the suggestion that employment outcomes will be improved if Community Development Employment Project's (CDEP) are provided with training funds is not based on any empirical evidence. The Commonwealth transferred training funds of \$50m to ATSIC in 1991 – there is no evidence that this led to improvement in CDEP outcomes. Again, such observations are well outside the Inquiry's terms of reference.