

COMMONWEALTH GRANTS COMMISSION
INDIGENOUS FUNDING INQUIRY
FINAL SUBMISSION

From: South Australian Treasury

Submission No.: IFI/SUB/0069
Date Received: 22/12/2000

T&F99/0541

U:economic/hender/cgc/indigenous funding/submission dec 00

December 2000

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

Dear Mr Searle

SUBMISSION TO INDIGENOUS FUNDING INQUIRY

Attached is South Australia's final submission to the Commission's Indigenous Funding Inquiry.

Our contact for this inquiry is John Henderson, who can be contacted on 08-8226 9698.

Yours sincerely

Jim Wright
UNDER TREASURER

FINAL SOUTH AUSTRALIAN SUBMISSION TO THE COMMONWEALTH GRANTS COMMISSION'S INDIGENOUS FUNDING INQUIRY

Introduction

The South Australian Government welcomes the draft report of the Commonwealth Grants Commission inquiry into Indigenous funding and will continue to co-operate fully in the provision of data and other information.

The Commission discusses wide-ranging options in the draft report, some of which we make comment on in this submission. We also discuss, under functional headings, some of the more specific issues raised by the Commission on services provided to Indigenous people.

Issues of Principle and Practice

Scope of the Inquiry

While we would have liked the inquiry to look at functions additional to those nominated in the terms of reference (in particular land management), we understand the Commission's reasons for not wishing to do so given the time and resource limits involved. We also acknowledge the need to examine both Commonwealth mainstream and Indigenous specific programs.

Measuring Needs

The South Australian Government agrees that a system for distributing funds solely on the basis of quantifiable indicators is probably not realistic, for the reasons set out in paragraph 11 of the draft report's main findings. We do, however, fully support the work done by the Commission in conjunction with the Australian Bureau of Statistics to develop an experimental index of Indigenous socioeconomic disadvantage. If data problems can be adequately addressed, particularly from our point of view in relation to the AP Lands, then we think this index could be a valuable addition to information on Indigenous disadvantage.

In respect of the more general data issue, please note that, following the decision made at the Council of Australian Governments in November 2000 to promote reconciliation through the development of action plans and performance reports from Ministerial Councils, the South Australian Minister for Aboriginal Affairs has written to all State departments and agencies seeking information to build up a database of services and expenditures for Aboriginal people and communities. It is expected that this database will be operational in the first half of 2001.

Intergovernmental Relations and Possible Ways Forward

There are two major issues under this heading on which we would like to comment.

The first is the **'governance' issue surrounding steps to enable Indigenous peoples to participate more fully in decision making processes.** In South Australia, much progress has already been made in implementing the principle of involving Aboriginal people in consultative and decision-making processes, including the following bodies and programs.

- The Aboriginal Housing Authority, established in October 1998 with an Aboriginal board, to oversee all aspects of housing for Aboriginal people;
- Aboriginal Health Advisory Committees, with Aboriginal representation, have been or are being established in all Regional Health areas in South Australia, their primary role being to provide advice on the preferred method of delivery of health services to Aboriginal people in their region;
- The SA Aboriginal Health Partnership meets periodically with key stakeholders responsible for the delivery of Aboriginal health services, including the Aboriginal Services Division (of the Department of Human Services), the ATSIC Regional Councils and the Aboriginal Health Council;
- The Pitjantjatjara Yankunytjatjara Education Committee, a legally incorporated body acting on behalf of the Anangu Pitjantjatjara people with an Education Department-employed Anangu Director, acting as a board of governors for the major education policy decisions for schools on the AP Lands;
- The Aboriginal Student Support and Parent Awareness (ASSPA) program, involving parents of Indigenous students in decisions affecting their children's schooling – each of the individual Anangu schools has an ASSPA committee which makes all decisions regarding expenditure of funds;
- District based Aboriginal education forums, inviting Aboriginal and non-Aboriginal parents, community members, and Education staff to meet on a regular basis to discuss education issues;
- The Aboriginal Education Planning and Monitoring Group, which meets to discuss current issues, future directions, involvement of Aboriginal communities and strategies to increase Aboriginal employment;
- The P21 Aboriginal Forum Project Reference Group, advising on involvement in the Partnerships 21 scheme;
- The South Australian Aboriginal Education and Training Advisory Committee, monitoring education statewide from pre-school to university;
- The South Australian Vocational Education and Training Strategy Steering Committee, proposed to be operational by February 2001, to provide ongoing advice on VET policy, planning and resource allocation;
- Quarterly coordination meetings between the Division of State Aboriginal Affairs and the three land holding authorities (Anangu Pitjantjatjara, Maralinga Tjarutja and the Aboriginal Lands Trust);
- The essential services agreement coordination committee, including representatives of the three land holding authorities and the Aboriginal Housing Authority, regarding the provision of infrastructure.

In paragraph 35 of the draft report's main findings, reference is made to an option involving Commonwealth Indigenous specific funds being allocated to 'State level Indigenous-controlled bodies' that would then be responsible for allocating the funds to regional or local service deliverers. At the Adelaide conference of 23 November, the Chairman of the CGC made it clear that this was not to be interpreted as meaning the creation of another layer of bureaucracy.

South Australia stresses that another layer of bureaucracy is not required. We support the extension of Aboriginal participation in all aspects of decision making about service delivery and believe the progress made in setting up such processes in this State is evidence of the benefits of such an approach. We do, however, hold some reservations about how representative of local needs are some existing consultative bodies at the Commonwealth level. In particular, it is important that the views of Aboriginal consumers of services are taken into account.

The second issue concerns an option of increasing **the conditions imposed on Commonwealth specific purpose payments** (SPPs). As discussed at the Adelaide conference, such an option is counter to the thrust of the reform of SPP arrangements being sought by the Commonwealth and the States.

These reforms are aimed at increasing jurisdictions' flexibility while clearly defining responsibilities and ensuring policy outcomes are achieved in an efficient manner. We understand that the Commission has been supplied with a copy of the 'Principles for SPP Agreements' document prepared and endorsed by Commonwealth and State Heads of Treasuries in February 2000.

The concern underlying the Commission's suggestion – that there have been occasions when SPPs have not achieved the outcomes desired – is understood. However, we submit that if the nationally endorsed SPP guidelines referred to above are followed, policy outcomes can be assured without the need for inefficient or onerous conditions.

In our view, the key for achieving the desired outcomes of a particular SPP program lies in the process of and agreement to the definition of the outcomes built into the SPP agreement. These need to be clear and realistic, and should reflect a common understanding on behalf of all parties to the agreement. Emphasis also needs to be given to the establishment and reporting of output-based performance information to allow a clear demonstration that the outcome has been achieved.

Once the policy outcome(s) are agreed by the Commonwealth and the State(s), the actual service delivery mechanisms used by each State to reach these outcomes can be left to those 'on the ground' who know best the local circumstances and conditions affecting service delivery. Furthermore, to ensure that this process is optimised, it is important that outcomes be designed by those familiar with service delivery and that it be recognised that it will be inappropriate to adopt a 'one size fits all' approach.

We also note that the option of increasing conditions on SPPs (main finding 34) conflicts with the Commission's finding (paragraphs 97-99) that increased flexibility for local and community service providers is desirable and that 'lack of flexibility often prevent(s) the best solutions for local conditions'.

Infrastructure Matters

South Australia has no further comment on infrastructure matters, other than to point out that the statement in paragraph 19 of Chapter 8 regarding the Commonwealth funding of fuel for power plants is not relevant to this State, and relates only to Western Australia.

Education Matters

The Department of Education, Training and Employment (DETE) endorses in principle the general findings of the Commission. However, it must be noted that significant improvements have occurred in this State within the last five years, particularly in the literacy and numeracy learning areas and in the retention and success rates for senior secondary students. It should also be noted that there is still a long way to go to achieve equitable education outcomes.

The Basic Skills Test (BST) results in both year 3 and year 5 have over the past two years indicated that the achievement gap between Aboriginal and other students in South Australia has closed by approximately eight months. Anangu students in Year 3 literacy have improved by 4.7 points between 1997 and 2000 and are now 10 points behind. In Year 5 literacy the gap to the State mean has been reduced by 10.3 points with Anangu students now 7.6 points behind.

In both 1999 and 2000 the BST results indicated a greater improvement rate for Aboriginal students than the total cohort of students.

The Aboriginal Education unit in DETE, working in partnership with the Senior Secondary Assessment Board of South Australia and individual schools, has improved the retention rate and success rate for Aboriginal students in senior secondary. In 1999, 46 students achieved the South Australian Certificate of Education (SACE), a marked increase from the 24 students successful in 1998. From 1997 to 2000 we have seen our first Anangu graduates from the Lands and in 2000 we expect four Anangu graduates. Three students have completed year 12 using a combination of face to face teaching and distance education while remaining on the Lands, and one will graduate from our Wiltja Boarding Program based in Adelaide and attached to Woodville High School.

As an accountability structure, we are in support of the setting of performance indicators and targets with the Commonwealth. This negotiating process needs to take into account local needs, issues and knowledge. Commonwealth officers with backgrounds in education would enhance this process. Many schools including all our Anangu schools are moving into more flexible State funding through global budgets as part of a State local management initiative. Less prescription from the Commonwealth will enhance this process.

Aboriginal participation in decision making must increase at all levels within DETE. Participation in governance of mainstream schools is currently a major challenge. DETE is seeking to increase Aboriginal participation in decision making at the school level; an Aboriginal person has recently been appointed to the Partnerships 21 Task Force to provide advice and strategies on the involvement of Aboriginal people in local school governance, especially in regard to the direct funding for Aboriginal students now in some schools.

Such governance already exists on the Anangu Pitjantjatjara Lands with an incorporated body called Pitjantjatjara Yankunytjatjara Education Committee (PYEC). These schools have been working under a local management model since 1987. The Partnerships 21 model will enhance involvement in decision making in these schools and has the potential to increase Aboriginal participation in local decisions in other schools.

Funding allocated to any site must have an accountability structure in place. Reporting agreements need to be negotiated to demonstrate how the allocated funds were used to support Aboriginal students and how this support improved learning outcomes, particularly in the priority areas of literacy, numeracy, attendance and retention.

We believe the model of governing councils entering into service/partnership agreements with DETE is the most appropriate model. Education is best delivered by the 'expert' department driven by decisions from Aboriginal people for whom the service is provided. This model allows groups of schools to get access to specialist services and the infrastructure of the government department. The introduction of State level Indigenous Control Bodies could add another tier of bureaucracy. Costs to run such bodies could take funds and decisions away from service delivery points.

We recognise and accept that the education of Aboriginal students and communities is not only a Commonwealth responsibility – a whole of government approach is required if service provision is going to be effective, coordinated and meet the articulated needs of Aboriginal students and their communities. The Anangu Pitjantjatjara Lands are 1500 kilometres from Adelaide and the schools are spread some 800 kilometres apart. We feel that remoteness is under funded for circumstances in these schools and other remote schools particularly with our initiatives in secondary education. We are attempting to deliver face to face and distance education on the Lands and other remote locations as a legitimate program that can provide specialist subjects. This is very costly in terms of human resources, specialist facilities and information technology. This is complementary to our costly secondary boarding program in Adelaide where we cater for 60 students, run a residential program and support cohorts of students within the mainstream at Woodville High School.