

Your reference : 2000/0352
Our reference : T.25027/05
Direct enquiries to : Peter Cox
Telephone : (08) 9222 9716

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

Dear Mr Searle

INDIGENOUS FUNDING INQUIRY

Thank you for the opportunity to provide comments on the Commission's draft *Indigenous Funding Inquiry* report.

Western Australia's comments are attached. They consist of:

- a main body addressing general issues, prepared mainly by Treasury and the Department of Aboriginal Affairs; and
- attachments addressing functional areas, prepared mainly by the relevant service delivery agencies (with the exception of Education – our Education Department may send comments separately).

I trust that these comments are helpful.

Yours sincerely

Mark Altus
DIRECTOR
INTERGOVERNMENTAL RELATIONS

29 December 2000

Enc.

Western Australia's Comments on the Commonwealth Grants Commission's *Indigenous Funding Inquiry* Draft Report

General Themes

From Western Australia's reading of the Commission's draft report the main themes appear to be as follows:

- All regions suffer an absolute shortfall in funding for meeting indigenous needs. In the absence of increased funding, the use of existing resources must be improved, including by closer monitoring of indigenous outcomes (re health status, literacy and numeracy, etc.).
- Improved outcomes could be achieved by giving indigenous communities themselves a greater say in decision making about indigenous needs, priorities and services. However, the capacity of indigenous communities to handle increased responsibility for the expenditure of funds needs to be developed.
- The Commonwealth has limited opportunity to influence the use of resources, as it is not generally the service provider. However, the Commonwealth could increase its influence through additional conditions on the funding which it provides to the States.
- Commonwealth, State and local governments need to work more closely together, particularly in the provision of services to small, more remote communities, where problems are most acute in terms of:
 - blurring of roles and responsibilities; and
 - confusion over the extent to which indigenous services should be met from mainstream funding for services such as health, education and housing, or from indigenous specific programs.
- Except possibly in the case of housing and infrastructure, there has been little progress over the last ten years in reducing indigenous disadvantage.
- The Commission needs better data to support further analytical work.

Western Australia's main concern is the suggestion that the Commonwealth impose more conditions on grants to the States. We consider that more restrictions on grants to the States would be counter-productive as it would:

- reduce States' flexibility in how they endeavour to achieve outcomes, so that they are potentially less able to meet the needs of indigenous persons;
- potentially reduce the extent to which States could allow indigenous representatives to influence how funds are spent, including the distribution of funds between regions and communities; and
- potentially inhibit cross-functional service delivery strategies (which might involve spending being transferred between functions such as health and housing) designed to achieve the best outcomes.

In this regard, we consider that the Commission's proposals are also contrary to the Specific Purpose Payment (SPP) best practice principles and guidelines recently developed by a Heads of Treasuries Working Group¹, a copy of which we understand was recently provided to the Commission by the Northern Territory Treasury.

A major thrust of the guidelines is to instil an outcomes focus into SPP agreements, while giving the States maximum flexibility on how they achieve the outcomes. In the context of the *Indigenous Funding Inquiry*, the States are likely to be best placed to determine, for example, the combination of improved medical, housing, infrastructure and education services that would be most likely to lift indigenous health outcomes in individual communities.

Accordingly, we consider that the focus of the Commission's report should be on the needs based distribution of funding between States. In our view, the Commonwealth can best assist indigenous persons by ensuring the fairest allocation of funding, with service providers and communities then using that funding in the way that most effectively achieves desired outcomes.

Conceptual Issues in the Inquiry (Chapter3)

General Comments

We support the Commission's general approach to measuring needs on the basis of indicators of outcomes (eg. the use of health status as an indicator of the need for health services). We also support the Commission's proposals to recognise the relatively high cost of meeting outcomes due to factors such as the remoteness of indigenous communities and associated difficulties of access to services.

¹ Including representatives from the Commonwealth Treasury and Department of Finance and Administration.

Specific Comments

Paragraph 15 - Which funds to take into account

We agree that the Commission needs to take into account both Commonwealth mainstream and indigenous specific programs, as well as State and local government programs.

Paragraph 19 - Measuring total needs

The Commission indicates that it is beyond its terms of reference to estimate the total needs of indigenous people. However, to calculate a funding distribution that would enable a certain national average (ie. standard) level of outcomes to be achieved, we consider that the Commission must calculate total needs. A relative ranking of regions would be insufficient for this, as it would not show by how much high need regions fall short of the standard.

Paragraphs 20-27 - Implications of mainstream services

We found the Commission's discussion of this issue hard to follow. In particular, it is not clear whether the "amount of funds applicable to Indigenous people" which the Commission suggests estimating (paragraph 22) would include mainstream funding, indigenous specific funding, or both.

We agree that examining the cost of measures to increase indigenous access to services would be useful. However, we also note that if access is improved, there would be additional expenditure on service provision (and that this additional expenditure would be relatively large in per capita terms, particularly because of costs associated with remoteness). For example, States would not only incur the cost of employing Aboriginal Liaison officers to improve indigenous access to hospitals, but also the additional cost of providing more hospital services to indigenous persons.

The Commission may also find relevant the latest progress of the Steering Committee of the *Review of Commonwealth/State Service Provision* on monitoring of service provision to indigenous people. The Communique issued by the Council of Australian Governments (COAG) after its meeting on 3 November 2000 sets out, as one of the agreed outcomes under the item on Aboriginal Reconciliation, that Ministerial Councils will develop action plans, performance reporting strategies and benchmarks (where they have not already done so).

Paragraphs 37-38 - Impact on outcomes

We note the Commission's thoughts about identifying and measuring the links between expenditure on government services and specific outcomes (eg. the link between education expenditure and literacy and numeracy outcomes). However, we would also refer the Commission to the arguments on page 16 of our original submission about the significance of Commonwealth expenditure on income support payments to the achievement of good outcomes.

Paragraph 42 – Distribution of funding

The Commission has raised the issue of whether funds should be distributed to all regions in fixed proportion to need, or whether proportionally more funding should be provided to the regions of greater need.

We believe that the Commission should be making recommendations that seek to achieve outcomes which are consistent across the country.

This requires the Commission to determine an average (standard) level of outcomes for indigenous persons, and to recommend a funding distribution which will enable each region to achieve that standard (taking account of the different cost of achieving outcomes between regions). Under this approach, funding would be redirected to regions with greater need to enable them to bridge the gap with lesser need regions (ie. the Commission's second alternative), even though the lesser need regions may receive funding less than in proportion to their need.

Paragraph 43 - Resource allocation

The Commission has recognised the need to avoid penalising the better performing regions or communities in its final resource allocation recommendations. In this regard, we consider that the Commission should 'draw the line' between Commonwealth and State responsibilities on a basis that is policy neutral between the States. To do this, the Commission's recommended funding distributions should be those which would be appropriate if each State applied standard policies for addressing indigenous needs.

Paragraph 45 - Community capacity

We strongly support the treatment of community capacity (to deliver or manage services and participate in decision-making) as a separate aspect of need requiring a long-term development perspective and an investment of resources over a period of time.

Paragraph 55 - How States react to changes in Commonwealth funding

The Commission suggests that distributing funds solely on the basis of outcome measures is not desirable because (inter alia) States may change their activity (ie. increase or reduce services) if Commonwealth funding changes.

We consider that this highlights the issue about which level of government is best placed to make decisions about overall funding allocations between functions and regions. This will generally be the State governments, as they are closest to service delivery.

The distribution of funds within States is best done in a consultative process between the different levels of government. Often the most efficient process will be for the Commonwealth to provide funds to the States with only broad conditions, leaving the States to make the regional distribution.

Practical Issues in Targeting Resources to Indigenous Needs (Chapter 4)

Paragraph 38 - Initiatives to improve data quality

We note the Commission's comments about initiatives required of Commonwealth, State and other service providers to improve data availability.

The Western Australian-led initiative to develop a *Commonwealth/State/Local Government Framework for Achieving Better Outcomes for Indigenous Australians* through the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA) should help in this regard. MCATSIA also has representation in the Indigenous Data Working Group formed by the Steering Committee for the *Review of Commonwealth/State Service Provision*.

Paragraph 44 - Cost shifting

Cost shifting from the Commonwealth to the States is often overlooked. Inclusion of an example, such as lack of primary health care (predominantly Commonwealth funded) resulting in greater use of hospital services (increased costs are met by the States), would be useful.

Also, contrary to point (iv) on page 40, public hospitals are not "largely Commonwealth funded". Roughly half the funding of public hospitals comes from the Commonwealth, but it is important to note that at the margin additional public hospitals costs are fully met by the States.

Intergovernmental Issues and Possible Ways Forward (Chapter5)

General Comments

We generally support the thrust of this chapter, including most of the nine overarching principles for changes to funding arrangements outlined in paragraph 46. Application of those principles would address the issues of:

- greater indigenous participation in decision-making at regional and community levels;
- capacity and leadership building for indigenous self-management and self-determination; and
- sustainability, efficiency and effectiveness.

However, we have concerns with the application of the fifth principle, regarding potential pooling of funds.

Similar proposals concerning joint Commonwealth/State funding of other services have generally involved the development of a Commonwealth dominated bureaucracy which would reduce the influence of the service providers (the States).

In the context of the Indigenous Funding Inquiry, we consider that pooling will assist only if it gives indigenous communities more say over the delivery of services, not if it is a device for increased bureaucracy or top down control from bodies removed from service delivery.

A good example of how pooling arrangements can improve service delivery is the Coordinated Care Trials discussed in the attached submission by our Health Department. These trials work well because the service providers (the State and the two community controlled health services) are able to make the decisions needed for flexible service delivery, without Commonwealth interference.

It is also important that ensuring all relevant institutions have an active role (the sixth principle) does not result in an increase in conditions on funds provided by the Commonwealth. The objective should be greater consultation, rather than increased control (which would be inconsistent with devolving authority to local communities).

Specific Comments

Paragraphs 7-17 - General revenue assistance

The Commission discusses the application of fiscal equalisation between States, and how it enables States to provide an average per capita level of service. However, this discussion could be misleading in the context of the Indigenous Funding Inquiry, as it does not explain that the service standard is based on average State policies, which do not involve the same standard of service being provided to all State residents.

More specifically, fiscal equalisation does not ensure that States have the capacity to provide an equal standard of service to all residents. Due to the cost involved and access difficulties, States tend to provide a lower level of service in remote regions, where a greater proportion of the population is indigenous. A State that wishes to increase the level of service in these regions would find that fiscal equalisation provided no assistance.

We consider that the Commission should clarify this in its final report.

Paragraph 69 - Allocating funds

We support the broad thrust of this paragraph. However, the recommendation is of concern, as it appears to propose setting up additional bureaucracies and to pool funds under the control of those bureaucracies.

We consider it preferable that the Commission focus on improvements in resource allocation that involve improving links, communication and negotiation between existing structures and processes rather than creating a new level of bureaucracy.

The Commission should also note that there is already a considerable basis for cooperation through the COAG endorsed *National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders* (December 1992), the November 2000 COAG communique on Aboriginal Reconciliation and the existing successful Environmental Health Needs Co-ordinating Committee² processes in Western Australia.

We do support the Commission's conclusion (paragraph 76) that the Commonwealth should leave decisions on resource allocation and priorities to State or regional level bodies.

² This Committee improves coordination in the planning and delivery of environmental health related programs to Aboriginal communities by bringing together the Western Australian Aboriginal Affairs Department, the Aboriginal and Torres Strait Islander Commission, the Commonwealth Department of Health and Aged Care, the Health Department of Western Australia, the Western Australian Ministry of Housing and the Western Australian Municipal Association.

Attachments

Comments by:

- **Health Department of Western Australia**
- **Western Australian Ministry of Housing**
- **Western Australian Department of Training and Employment**

Commonwealth Grants Commission

Indigenous Funding Inquiry

Draft Report

Comments by the Health Department of Western Australia

The Health Department of Western Australia welcomes the progress made by the Grants Commission in identifying issues and making helpful observations in the Draft Report of the Indigenous Funding Inquiry. Overall the main thrust of the report is supported and comments made in this submission are intended to provide clarification on issues and additional information to the Commission.

HDWA also looks forward to supporting the Commission in its task of assessing relative needs by providing detailed information on the health needs of Aboriginals across regions in Western Australia under the terms of its contract with the Commission.

Main Findings

The principles of equal resources for equal need and more resources for people with greater need are strongly supported. Unless these guiding principles are put into practice it is unlikely that Aboriginal communities with the greatest health needs will achieve any real gains in health status.

The concept of capacities of communities to deliver services also needs to be considered in any resource allocation model if current inequities are to be addressed. This is not only an issue in the health area but cuts across all functions and serious consideration needs to be given to a shared responsibility to develop capacity across levels of Government and across Departments.

HDWA agrees with the key observation by the Commission that “*there is potential for changing Commonwealth own purpose outlays to include needs and outcomes based parameters*”. There is accurate and relevant data for Western Australia, South Australia and the Northern Territory to allow a sensitive needs/outcome based model to be constructed. The Commonwealth has used for some years now the data emerging from Western Australia, the Northern Territory and South Australia as representing a national picture of Aboriginal health. Similarly the ABS publishes regular national reports based on data from these three jurisdictions.

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Additionally substantial evidence exists in the international and domestic literature to allow the Commission to identify *proxy* indicators that could be applied to other jurisdictions where data is not as complete as it is in the 3 jurisdictions mentioned above. The combination of such data sets would allow the Commission to develop a sensitive national model for the allocation of Commonwealth health funds.

HDWA agrees with the Commission's assessment that *"there is no evidence to suggest that any State, region or location has resources excessive to that needed"*. This has obvious implications that any resource distribution model should focus on new monies and not attempt to redistribute existing resources.

It is recognised by all parties that the current MBS system fails Aboriginal people and that the disadvantage increases significantly with remoteness. Addressing the current low usage of MBS by Aboriginal people, at around 25% of the rate of non-Aboriginal people (and considerably less in remote regions), clearly is a major priority if improved health outcomes are to be achieved.

There is considerable potential for the Commonwealth to address the current lack of primary health care services in Western Australia through an expansion of the Coordinated Care Trail model or the availability of Primary Health Care Access Program funding. However the multiplier used to determine regional allocations under such a model could benefit from the research and analysis related to this Inquiry.

HDWA does not agree with the Commission *"that the Commonwealth has limited scope, just through changes within its own activities, to achieve outcomes consistent with the principles set out in paragraph 31."* The most significant improvements in health outcomes can be achieved through improvements in environment, housing and infrastructure and access to appropriate primary and preventative health care services. Additional benefits are also available through improvements in Employment and Training. All of which the Commonwealth has the capacity to either directly influence through own purpose outlays or through partnerships with the States and Territories.

Through work on linked MBS/hospital data in Western Australia it is clear that substitution of primary health care for acute hospital services is occurring. The additional burden on the acute care system, which is the most expensive form of health care, limits the ability of States and Territories to support additional programs and interventions at other levels of the health system. Where primary health care interventions are occurring lower than expected mortality and morbidity outcomes are being achieved.

It is also important for the Commission to recognise that, although overall per capita expenditure on health for Aboriginal people is marginally more than that for non-Aboriginal people, the States and Territories are spending considerably more per capita on health for Aboriginal people while the Commonwealth is spending considerably less.

Chapter 6 - Health

The Office of Aboriginal Health will be providing a comprehensive report at the end of December to the Commission on data issues, relative health needs across regions and potential models of allocating funds. As such detailed discussion on these issues will be found in that report. The following comments indicate Western Australia's thoughts on issues raised in Chapter 6.

It is important that the Commission recognise that a multi-variate approach to assessing health needs is more equitable than a minimum service provision model. The minimum level of service approach does not take account of the significant relative differences in health status across Aboriginal communities. An approach to funding based on this model would continue to ignore the need for significant additional resources to be provided to those communities with the greatest needs.

A number of factors affect Aboriginal Health and work undertaken in Western Australia clearly demonstrates that a multi-variate model can be constructed to assess relative health need. Where data is either unavailable or of poor quality alternate proxies are available that can be used to determine relative needs. For example the Socio-Economic Index constructed by the Australian Bureau of Statistics is highly correlated with regional morbidity and mortality data in Western Australia.

However, it is of concern that the Socio-Economic Index has not been dissected at quartiles and not 'natural' breaks. Use of the latter is far more appropriate. There is also a concern that using perinatal data, whilst for nearly all regions across Australia may be valid, is not appropriate for the Warburton region. This is due to the fact that pregnant women are 'evacuated' to regional hospitals in their last trimester and that these interventions have significantly increased birthweights. Whilst interventions should have a positive long term effect on health outcomes of these children, the Warburton region consistently rates as the area of greatest health need and poorest health outcomes in terms of morbidity and mortality in Western Australia.

It is suggested that the Commission further explore the Coordinated Care Trial in Western Australia as a possible model for improving Aboriginal health outcomes. The 'pooling' of funds provides greater flexibility for service provision to meet health needs of clients of the trials and provides a good working model for further collaboration between the Commonwealth, States and Territories and the community controlled sector. The introduction of Care Plans has also resulted in significant preventative health benefits such as the early diagnosis of diabetes.

HDWA also agrees with the need to consider the capacity of communities to manage as a factor in a multi variate model. The experience of the Co-ordinated Care Trials in Western Australia and other locations supports this view.

Attachment A- Expenditure on Indigenous Programs

There is some question to the validity of some of the data contained in Table A-1. The Commission has pro-rated monies provided to the State under the Australian Health Care Agreements based on cost-weighted hospital utilisation.

However, the distribution of AHCA funds is basically via a per-capita funding model. Any State that has higher utilisation requirements must service these needs from within the State's resources. There are no factors within the AHCA funding model to recognise additional costs for Aboriginality. Western Australia would argue that a more appropriate allocation of AHCA funds across States and Territories would be according to the AHCA funding model or on a simple per-capita basis.

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**COMMONWEALTH GRANTS COMMISSION
INDIGENOUS FUNDING INQUIRY**

**MINISTRY OF HOUSING RESPONSE TO THE DRAFT
REPORT**

MAIN FINDINGS

ISSUES OF PRINCIPLE AND PRACTICE

Scope of the Inquiry

1. The Ministry agrees with the specific scope of the Inquiry – health , housing, infrastructure, education, training and employment.
2. Whilst recognising the time and resource constraints imposed on the Commission, the Ministry agrees that it would have been beneficial to include other areas such as law and order, social and cultural issues, land management and tenure issues.
3. The Ministry supports the view of the Commission that Indigenous specific programs are, in essence, supplementary programs and are not intended to meet the total needs of Indigenous people.

Measuring Needs

1. The Ministry supports the focus of the Inquiry on outcomes, in terms of measuring needs, and concurs fully with the Commission’s observations and findings in terms of the principles and processes relating to the allocation of resources, as outlined in the Main Findings ,Items 9 to 12.

Data Issues

1. The Ministry agrees that reliable demographic data and data on Indigenous demand and outcomes are necessary for decision making on funding allocations. In terms of Indigenous housing and infrastructure, it should be noted that:
 - i) the Agreement for National Indigenous Housing Information provides a framework for the development of National Indigenous housing information.
 - ii) the National Indigenous Housing Information Implementation Committee (NIHIIC) exists under the auspices of the above Agreement to coordinate Indigenous data development and to ensure consistency across data collection activities.

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- iii) In 1999, the Australian Bureau of Statistics was commissioned by ATSIC to conduct a survey of the housing and infrastructure needs in respect of all Indigenous Housing Organisations and discrete Indigenous communities in Australia. The 'CHINS 99', as the survey is known, provides invaluable needs data to inform the resource allocation process.

Involving Indigenous People in Decision Making

1. The Ministry supports the principle, espoused by the Commission, that Indigenous people should have authority to make decisions about the services they receive both at the State and local level.
2. In Western Australia, the Aboriginal Housing Board oversees the development and implementation of policy and programs within the Aboriginal Housing and Infrastructure Unit. The Board comprises five ATSIC State representatives and five Aboriginal people selected through public nominations.

3. The Chairperson of the Aboriginal Housing Board is also a member of the Board of Commissioners of the Ministry of Housing.

Existing Resource Allocation Processes

1. The Ministry notes and supports the Commission's finding that there has been a reduction in Indigenous disadvantage in terms of housing and infrastructure.

INTERGOVERNMENTAL RELATIONS AND POSSIBLE WAYS FORWARD

Intergovernmental Issues

1. The Commission's assessment of existing Commonwealth/State financial arrangements in respect of Indigenous funding is generally supported.
2. In respect of the Commission's observation at Item 28 (iii) of the Main Findings, however, the position in Western Australia is far more positive. The Western Australian Aboriginal Housing Bilateral Agreement provides a solid framework which encourages Indigenous participation, priority setting and decision making on issues directly affecting Indigenous people.

Possible Alternative Processes

1. The Ministry supports the principles outlined at Item 30 in the Main Findings, all of which mirror the principles agreed to by the Commonwealth State Working Group on Indigenous Housing (CSWGIH) and which are enshrined in a 10 year strategic policy plan entitled '*Building a Better Future: Indigenous Housing to 2010*'. The stated principles also form the strategic direction of the Ministry, in terms of Indigenous housing and infrastructure.
2. The Commission has suggested, at Item 34 in the Main Findings, that the Commonwealth could seek changes within the general structure of existing Commonwealth-State arrangements in terms of additional conditions for Specific Purpose Payments (SPPs). Given that West Australia operates through the Bilateral agreement such amendments to the SPPs is not necessary. Clause 30 of the Bilateral Agreement provides the framework for this process.
3. The Commission has identified one possible approach may be the establishment of State level Indigenous-controlled bodies that would be responsible for allocating Commonwealth Indigenous specific funds to regional or local service delivery processes. The Commission further suggests that it would be desirable for a pooling of Commonwealth and State funds to be distributed via this process. It is considered that the Ministry of Housing through the Aboriginal Housing Board already performs this function in terms of State funds and therefore is well placed to be the single point of contact in West Australia in terms of Aboriginal Housing.

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HOUSING MATTERS

1. The Ministry agrees with the Commission's general observations concerning the extent of Indigenous housing need, as outlined in Item 60 of the Main Findings. The Commission's findings are supported by a number of recent data surveys and studies, including the Environmental Health Needs Survey (Western Australia only) and the Community Housing and Infrastructure Needs Survey 1999 (CHINS99). The data from the above surveys informs the Ministry's Indigenous housing and infrastructure resource allocation process.
2. The Ministry agrees with the Commission's recommendation that housing needs assessments should involve a multi - measure approach that includes capital needs associated with homelessness, overcrowding and the condition and functionality of the housing as well as regional cost variations, affordability and recurrent costs of housing organisations. The Commission's recommendation is consistent with Objective 1.1 of the CSWGIH report '*Building a Better Future: Indigenous Housing to 2010*'.
3. The Commission rightly observes, at Item 62 of the Main Findings, that Housing Agreements are an essential step in a reform process that should improve both housing and health outcomes. The Commission's position in this regard is consistent with the CSWGIH report '*Building a Better Future: Indigenous Housing to 2010*' (Objective 4).
4. Since December 1997, the provision of Indigenous housing and infrastructure in Western Australia has operated within the framework of the '*Agreement for the Provision of Housing and Related Infrastructure for Aboriginal and Torres Strait Islander People in Western Australia*' (the Bilateral Agreement). The Bilateral Agreement provides clarity in terms of the respective roles of ATSIC, the Commonwealth and State governments and the Aboriginal Housing Board (AHB). In particular, under the Bilateral Agreement, the role of the AHB has been substantially increased, in that it is now recognised as the principal source of advice on appropriate policies and strategies to improve housing outcomes for Aboriginal people in Western Australia. The current Bilateral Agreement is to be reviewed in early 2001.
5. The Ministry supports the Commission's findings in terms of the key aspects of a bilateral agreement (as outlined in Item 63 of the Main Findings Report) with the exception of Item 63 (i and ii). The Ministry questions the rationale for the proposal that ARHP housing assets be transferred to the 'responsible body' proposed under Item 63 (i). Whilst the Ministry supports the established principle of Indigenous self-determination and management this matter has been thoroughly traversed by the West Australian State Cabinet and resolved by the current structures of the Aboriginal Housing Board within the Ministry of Housing.
6. The Ministry endorses the proposed focus of the Indigenous controlled statutory body, as outlined in Item 64 of the Main Findings. The Commission's findings in this

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regard are consistent with the current strategic focus of the Aboriginal Housing Board in Western Australia.

INFRASTRUCTURE MATTERS

1. The Ministry supports the Commission's findings that the provision of infrastructure is essential for improved outcomes in health and housing and that the level of infrastructure services is deficient in many remote Aboriginal communities and town camps.
2. The Ministry agrees with the Commission that there have been improvements in the provision of infrastructure at a number of remote communities. In Western Australia, since 1996/97, the State Government has committed \$29 million over 8 years for this purpose through the Aboriginal Communities Strategic Investment Program (ACSIP).

ACSIP aims to ensure that remote Aboriginal communities have access to essential, municipal and administrative services of a standard comparable to that of other similarly sized mainstream towns in WA. To date ACSIP has delivered substantial improvements to communities, including :

- improved community management and administration to ensure effective community management structures exist prior to investing in physical infrastructure;
- increased involvement of local government in the delivery of municipal services; and
- the normalisation of the delivery of power, water and sewerage.

The Ministry operates the Remote Areas Essential Services Program (RAESP) which provides a vital repair and maintenance service for power, water and wastewater systems to 67 remote Aboriginal communities in Western Australia. In 2001/02, RAESP has been allocated funding of \$6.65 million and the program will increase to 72 communities.

The Ministry also operates the Management Support Programme (MSP) which aims to assist Aboriginal Community Organisations to address issues to do with management, repairs and maintenance of their housing stock. The MSP consists of two components:

- development of skills in repairs and maintenance, and
- development of appropriate systems and skills to enable the community to manager their houses effectively.

It is budgeted to spend \$6.9 million during the 2000/01 financial year under the MSP.

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3. The Commission has referred to the issue of 'homelands' and the development of small communities or 'outstations'. The Ministry concurs with the Commission's assessment that these outstations are difficult to service due to location and funding limitations, often resulting in high levels of need.

The position of the State Government on this issue is quite clear in that the funding of outstation communities is seen to be the responsibility of the Commonwealth Government and the communities themselves. The State Government also argues that funding of outstations should not take precedence over the identified needs of larger, permanent communities and that the provision of services to outstation communities by State agencies should be negotiated on a case by case basis with the relevant functional agency (i.e. Health, Education, Local Government) prior to the establishment of new communities.

4. The Ministry supports the Commission's recommendation that Indigenous communities and organisations should be part of the resource allocation process and should be involved in the planning of specific projects. This recommendation is consistent with existing processes and practices within the Indigenous community housing infrastructure programs operated by the Ministry.

18 DECEMBER 2000

**Vocational Education and Training and Employment Services for
Indigenous Peoples and Communities in Western Australia**

**Information prepared by the Western Australian Department of
Training and Employment**

The following comments cover the effects of changes to Commonwealth funding for training and employment services from 1998 onwards. They add to the comments provided on the demand for training and employment services in pages 34-35 of Western Australia's previous submission to the Indigenous Funding Inquiry.

Demand for training and employment services

With the introduction of Job network, a raft of labour market programs, including a significant portion of Training for Aboriginals Program (TAP) funding, have been cashed out and the funds incorporated in the Job Network funding. This impacted negatively on the provision of traineeships through Community Development Employment Programs (CDEP). The impact was especially strong because very few Aboriginal Trainees are employed through private sector enterprises. Group training arrangements accounted for almost two thirds of all Aboriginal trainee commencements with the majority of trainees being directly employed through CDEP.

With the previously successful employment strategies for long term unemployed, Aboriginal job seekers could access combined pre-vocational skills training with employer assistance. While this is theoretically available through the Job Network, it is not being provided. This is because a Job Network investment in an individual job seeker can only be recouped from the Commonwealth if that client makes a rapid transition to employment and remains in employment for twenty-six weeks.

Prior to the implementation of the Job Network, CDEP participants were able to access the full range of labour market and CES assistance. This situation has changed and CDEP participants wishing to access Job Network assistance must withdraw from CDEP. Should the Job Network fail to provide an employment outcome the client can only rejoin CDEP via a waiting list due to the limited numbers of places available.

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Other changes that have directly impacted on training and employment for indigenous people are changes to Youth Allowance and ABSTUDY. ABSTUDY changes in particular have reduced the number of commencements in the Certificate of General Education for Adults (CGEA). CGEA is regarded as a significant transitional pathway for Aboriginal clients of the vocational education and training system.

With the changes in the Commonwealth funding arrangements there has been a substantial reduction in the availability of training options for Indigenous people. Much of the gap in training must increasingly be filled by TAFE colleges and private providers using State funds.