

COMMONWEALTH GRANTS COMMISSION
INDIGENOUS FUNDING INQUIRY
FINAL SUBMISSION

From: ATSIC – South Australia Office

Submission No.: IFI/SUB/0076
Date Received: 02/01/2001

**Indigenous Funding Inquiry - Draft Report
Main Discussion Points
Adelaide Conference – Adelaide (23/11/00)**

The following is ATSIC South Australia's response to issues raised at the conference in which we believe needed further deliberation.

Resource Allocation

ATSIC SA agrees in principle to main findings nine through to twelve on pages xii to xiii. However, ATSIC SA would emphasise that more resources need to be found and **not** a redistribution of current resources.

In saying this, current funding to some Indigenous organisations and communities in South Australia by ATSIC is the only means of funding or services they receive. The unfortunate reality with the lack of servicing for local Indigenous communities by other agencies/levels of government, is that ATSIC funding extends beyond being that of a supplementary funder and is often the only funding provider. If a re-allocation of the existing ATSIC budget was devoted to addressing need, a number of organisations and communities in South Australia would become severely disadvantaged if their needs were compared to that of other communities/organisations.

Linkages between Inquiry and Other CGC Processes

ATSIC also notes that the CGC is currently conducting an Inquiry into Local Government (Financial Assistance) Act 1995. We are concerned about comments made by representatives from the South Australian Local Government Grants Commission relating to the current review into the funding formulae for Indigenous communities recognised as Local Government authorities. Furthermore, ATSIC is especially concerned about communities that fall outside of local Government boundaries and how this will impact upon them.

In South Australia large areas of the State are unincorporated and there are relatively few individual Rural Remote communities that are given Local Government Status for the purpose of distributing Financial Assistance Grants, they are given to the Outback Areas Development Trust to distribute services to communities. Furthermore, there are fewer State level funds supporting service delivery within South Australia than other States that provide additional funding to councils. Therefore, it is left to ATSIC to fund communities for services that normally are performed by Local Government's.

Special Purpose Payment's (SPPs)

ATSIC SA would like to re-emphasise the finding contained in the Draft Report on p. 58, paragraph 63, relating to SPPs.

Aboriginal people are very sceptical about whether Indigenous SPPs are actually being directed to Indigenous people. In discussing this issue at the conference, the State Government (Treasury) expressed their opposition to this finding and sought further reductions in conditions attached to SPPs which would, in our opinion, further contribute to Indigenous disadvantage.

It is our view that the extent of disadvantage of Indigenous people necessitates that a lessening of conditions will only further enhance the disadvantage currently faced by many Indigenous people. This will occur in many areas but the area of main concern for ATSIC is further erosion of Indigenous participation in decision-making and identification of need.

Furthermore, a belief exists that the State and local governing bodies are the major provider of services to Indigenous people where in reality ATSIC has become the major provider of services to Indigenous organisations and communities. Therefore, a further strengthening of the conditions attached to SPP's would be direct funding to Indigenous people.

Partnerships

The notion of partnerships is not a new idea within ATSIC SA. In recent years the formation of partnerships has become an integral part in the way ATSIC SA does business. This has been in response to a number of issues but mostly in the realisation that there is not enough dollars and also to re-emphasise that ATSIC is a supplementary provider of funds and mainstream organisations are the main provider of services to Indigenous people.

In saying this, ATSIC SA finds it incredibly hard to enter into partnerships with other stakeholders unless we are prepared to bring dollars to the table, thus no real equity is achieved if there is no economical benefit to other agencies. This is indicative of partnerships ATSIC SA has formed, in particular the Housing Agreement and the Essential Services Agreement, whereby ATSIC brought dollars to these agreements.

However, there is one exception namely the SA Aboriginal Health Partnership. The Health Partnership is unique in the sense that ATSIC was relieved of its responsibility for Aboriginal Health in 1995 however, through the Health Partnership ATSIC is involved in developing Key Statewide Actions in the area of Aboriginal Health without contributing money to the Partnership. The agreement underpinning the Partnership expired on 30 June 2000 and while a new agreement has been developed, ATSIC is reviewing its future involvement based on concerns about the role of the Partnership and its relationship with other key Stakeholder organisations.

An example of a successful partnership in South Australia would be that of the Aboriginal Housing Bi-lateral Agreement. This is due to:

- Key decision-making is by the Board of the Aboriginal Housing Authority (AHA). It is an all Indigenous group consisting of ATSIC elected representatives and Indigenous people nominated from communities, a provision for the three SA land Holding Authorities as State representatives and a part-time Chairperson;
- The Board is underpinned by either community forums (for the former Trust program) or community organisations (for the rural and remote program), which play vital roles in the management of housing programs at the local level; and
- The AHA is headed by an Indigenous person in the General Manager position and has a significant number of Indigenous staff members.

Community Control

By definition, community control encourages community development. However, this will only occur when it is initiated by, conducted by, and belongs to the community and Indigenous communities and organisations are adequately resourced to carry out their governance obligations.

A significant impediment often encountered by Indigenous communities and organisations in managing their end in any partnership is the inadequacy of resources. By adequately resourcing communities/organisations it would then allow them to have an equal standing in the development of any partnership.

ATSIC's Advocacy Role and Planning Arrangements

ATSIC SA believes that an element of community control currently exists within Aboriginal communities and organisations, some might debate to what extent, in the allocation of funds and the formulation of policies via the involvement of elected community representatives in the decision-making process of ATSIC Regional Council's. ATSIC Regional Council Plans incorporate community-based plans to directly identify community goals and to identify existing and planned services to each community.

The Draft Report fails to acknowledge ATSIC Elected Arm's statutory obligations in relation to advocacy. Section 94 of the *Aboriginal and Torres Strait Islander Commission Act 1989*, clearly sets-out the Functions of Regional Councils:

- Section 94. 1(e) specifically states that Regional Councils are to represent Aboriginal and Torres Strait Islander residents of the region and to act as an advocate of their interests.
- Section 94. 1(a) of the *Aboriginal and Torres Strait Islander Commission Act 1989* states that each Regional Council is to formulate, revise from time to time, a regional plan for improving the economic, social and cultural status of Aboriginal and Torres Strait Islander residents of the region.

In this respect, ATSI Regional Council Plans incorporate community-based plans to directly identify community goals and to identify existing and planned services to each community

ATSI SA calls on the Grants Commission to include in their Final Report the statutory functions of ATSI Regional Councils and recommend that mainstream agencies, government and non-government, must:

- consult with ATSI Regional Council's before any decision on the allocation of funds to Indigenous communities and organisations or any decisions relating to Indigenous service delivery.
- establish linkages with planning process that ATSI Regional Councils currently conduct.

Experimental Indigenous Socioeconomic Disadvantage Index

A key question, in the context of the CGC inquiry is how useful relative indexes of socioeconomic status are in determining the needs of groups of Indigenous Australians relative to one another.

Relative indexes do not contain any information about the size of differences in socioeconomic status. For example, it is not possible to say how much more disadvantaged the ATSI region of Broome is compared to Adelaide. For an index of socioeconomic disadvantage to be useful for the purposes of generating funding relativities, the measures of disadvantage would need to have a common unit of measurement. In practice, the only conceivable common unit of measurement is dollars required to alleviate disadvantage or some similar measure.

A major issue which would be confronted if attempting to devise a composite index of socioeconomic disadvantage with a dollar metric for the purpose of calculating funding relativities, is differential cost disabilities between ATSI regions. This is a particularly important issue when comparing ATSI regions because of the very large differences in the Indigenous populations and their spatial density.

At the present time, census data remains the only comprehensive source of data on Indigenous Australians and any index of relative socioeconomic disadvantage will rely heavily on the variables available from the census. These variables measure only a limited range of factors that are related to socioeconomic status. To the extent that these variables accurately reflect differences in socioeconomic status, the relative ranking of socioeconomic disadvantage presented will be misleading. There is, therefore, a danger inherent in the use of census-derived social indicators and indexes of social advantage or disadvantage that there will always be a temptation for program managers and policy makers to use these data, despite it's well documented shortcomings, as a means to assess differences in need between geographic

regions. This is particularly so in South Australia where the population for Indigenous people has been under counted.

While indexes of relative socioeconomic disadvantage provide a ranking of the socioeconomic status of Indigenous people across geographic regions, it does not contain any information on the extent of differences in socioeconomic status between regions.

Finally, as each State Government operates on a different philosophy for the provision of services to Indigenous people, ATSIC SA believes it would be beneficial to ATSIC and other government agencies if the Final Report contained information on a State-by-State basis. This was illustrated at the conference in Adelaide in relation to the discussion on infrastructure. The discussion highlighted the heavy burden placed on ATSIC to fund Indigenous communities and organisations for essential services and the lack of support from State Government agencies where ATSIC is supposed to be used in a supplementary role not as the major provider of funds. This example is not an isolated situation but is indicative of the situation experienced by ATSIC in South Australia. Therefore, ATSIC SA would like to see an appendix added to the Final Report detailing the major providers of services to Indigenous people on a State by State basis.