

COMMONWEALTH GRANTS COMMISSION

INDIGENOUS FUNDING INQUIRY

FINAL SUBMISSION

**From: Commonwealth Department of Family and
Community Services**

Submission No.: IFI/SUB/0077

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Dear Mr Searle,

INDIGENOUS FUNDING INQUIRY - DRAFT REPORT

Thank you for the opportunity to provide written comments on the draft report of the Commonwealth Grants Commission's Indigenous Funding Inquiry.

In general, the Department supports the approach taken by the Commission. However, in the areas of youth programs and housing programs in particular, there is some concern that the report focusses too much on Indigenous-specific funding and does not consider other programs available to, and accessed by, Indigenous people. In the case of Indigenous housing, this is highlighted by the report drawing little distinction between access and affordability issues in areas where there are housing markets, and adequacy issues in remote and isolated areas.

Revised figures for 1999–2000 need to be included in Table 10-6 on page 151 of the report for the Open Employment Services, Supported Employment Services and Employer Initiatives. These figures will be provided as soon as possible. Also, the Child Care Services Branch is currently collecting additional service delivery data for the Inquiry, as requested. However, the branch will not be able to provide this information by ATSI region.

Comments on particular chapters of the report are provided in the attached document. If you wish to discuss any of these comments, please contact Ian Boyson, Director of the Indigenous Policy Unit, on 6212 9387.

Yours sincerely

Tricia Rushton
Assistant Secretary
Community Branch
January 2001

Encl.

COMMENTS ON THE DRAFT REPORT OF THE COMMONWEALTH GRANTS COMMISSION'S INDIGENOUS FUNDING INQUIRY

Chapter 3 – Conceptual Issues in the Inquiry

The two principles for resource allocation stated in paragraph 42 (page 25) raise a number of issues which could impact on their adoption, for example:

- when program funds are limited, it is difficult to see how both principles could be satisfied;
- it is difficult to see how 'equality of need' can be gauged across different areas (such as housing, education and employment); and
- 'greater need' is a concept that requires definition in terms of depth of need and/or numbers of people affected.

Paragraph 43(iii) (page 25) states that 'other outcomes cannot be achieved unless the basic social, community and physical infrastructure required to plan, manage and deliver services is in place' is interesting (this issue is also raised in paragraph 55(i) on page 28). Another side to this statement is that improving the housing and living environment of Indigenous people is critical to improving their health, well-being and capacity to access and manage services. If the living environment can deliver the basic requirements for healthy living, and not be a constant threat, Indigenous people may be able to devote their personal resources to controlling other aspects of life, including community participation and contributing to the capacity of the community to plan and manage service delivery in a sustainable way.

The overall support for the resource allocation methods implemented for the National Aboriginal Health Strategy (NAHS) in paragraphs 49-53 (pages 26-27) is a concern. The statements are general, referring for example to ranking projects, using broad indicators of need, from highest priority ('where the greatest impact can be made') to lowest priority. NAHS provides capital funds, and, for sustainable improvements in housing and infrastructure, funding would be best coordinated with other programs which can provide recurrent funding for ongoing management and maintenance of the NAHS capital works.

Chapter 4 – Practical Issues in Targeting Resources to Indigenous Needs

The chapter could be enhanced by including the following information:

'The Commonwealth provides special purpose payments to state and territory governments to assist in the provision of accommodation and related support services for people with disabilities. A formula for the distribution of these funds was developed by the Australian Institute of Health and Welfare which takes into account the age-sex specific rates of severe and profound disability, the age-sex distributions of general population in each state and territory and, in the absence of an applicable factor for Indigenous people with a disability, applies a weighting to the number of Indigenous people in each jurisdiction. This formula will be reviewed before the conclusion of this Commonwealth State Disability Agreement in July 2002 to factor in rural and remote concerns.'

Paragraph 31(v) (page 37) requires clarification. The Commonwealth State Working Group on Indigenous Housing (CSWGIH) has developed performance indicators to assess the overall effectiveness and efficiency of Indigenous housing assistance, and an Agreement on National Indigenous Housing Information. Indigenous housing data definitions and a minimum data set are now being developed under the terms of the agreement by the National Indigenous Housing Information Implementation Committee.



Chapter 5 – Inter-Government Issues and Possible Ways Forward

The ‘process-related changes’ suggested in the report (paragraph 54, pages 56-57) perhaps do not take sufficient account of the realities of the Commonwealth/state arrangements for delivery of Indigenous housing. Under the Commonwealth State Housing Agreement, all Aboriginal Rental Housing Program (ARHP) funds are allocated to the states and Northern Territory each year on the basis of broad strategic planning processes. The Commonwealth does not get involved in the details of program design and delivery.

However, the Department of Family and Community Services (FaCS) encourages states and the Northern Territory to direct ARHP funds to remote and isolated areas where Indigenous housing need is greatest, and private and ‘mainstream’ housing markets are not available. The department also encourages use of ARHP for provision of essential health-related housing infrastructure, housing maintenance and strategies to enhance the housing management capacity of Indigenous communities (for example training in asset and tenancy management), as well as for construction or purchase of additional housing stock.

Introducing and enforcing additional conditions and requirements for special purpose payments, as outlined in paragraph 63(i) (page 58), may not effect changes in state and territory attitudes and practices. The severest impact of such actions might be on Indigenous people, rather than on state and territory governments and service providers. Through the CSWGIH, FaCS and the Aboriginal and Torres Strait Islander Commission (ATSIC) endeavour to work cooperatively with the states and territories to use Indigenous housing funds effectively to address the ‘long-term causes of Indigenous disadvantage’.

Chapter 6 – Health

FaCS supports and promotes the links between good housing and improved health and well-being of Indigenous people. At a meeting in 1997, all housing ministers agreed that priority for Indigenous housing had to be given to maintenance, especially for the health hardware that deals with water and waste removal, taps, showers, baths, drainage, toilets, and so on.

High rates of common infectious diseases have been clearly linked to poor living conditions and lack of basic hygiene. In many Indigenous communities around the country, houses simply do not provide the ‘hardware’ necessary to carry out the critical healthy living practices of:

- washing people;
- washing clothes and bedding;
- removing waste safely; and
- improving nutrition.

Reducing the rates of infectious diseases, through improving housing and the living environment, is likely to have a long-term benefit for Indigenous people. A surrogate measure of change in health status is to measure whether the hardware in houses is functioning and delivers the ability for people to lead healthy lifestyles. The challenge is to make sure that 90% of health hardware is working 90% of the time so as to reduce the pool of infection. It will not do to have, say, 70% of houses in a community functioning; the 30% of houses not functioning will still create an environment for the spread of disease.

Chapter 7 – Housing

Paragraph 2(ii) (page 87) and paragraph 22 (page 92) state that temporary accommodation will not be considered until the final report. This is a little disappointing as it is a significant consideration in measuring Indigenous housing need. FaCS would welcome an opportunity to provide comments on the draft pages of the final report which deal with temporary accommodation issues.

Paragraph 17 (page 90) states that rent assistance is available to people renting privately. People renting community housing are also eligible for rent assistance. However, many Indigenous people in community housing are not entitled to payment because the amount of rent paid is below the rent assistance threshold.

In paragraph 21 (page 91) there is no acknowledgement of homelessness data from the Supported Accommodation Assistance Program (SAAP). The Australian Institute of Health and Welfare's national data collection for SAAP is a rich source of data on homeless persons accessing SAAP services. In addition, FaCS is writing a monograph on Indigenous homelessness data which will be available early in 2001.

The link between homelessness and overcrowding noted in paragraph 29 (page 92) is supported by the Keys Young Indigenous Homelessness Report, *Homelessness in the Aboriginal and Torres Strait Islander context and its possible implications for the Supported Accommodation Assistance Program*. This report found that overcrowding is a significant form of 'hidden homelessness' in Indigenous communities, and identifies the following forms of Indigenous homelessness:

- spiritual homelessness (separation from traditional lands or family);
- relocation and transient homelessness (due to mobile lifestyle or needing to travel to obtain services);
- escaping family violence; and
- lack of access to stable shelter.

Paragraph 30 (page 93) outlines measurement of overcrowding according to bedroom need. It is worth noting that this measurement does not recognise cultural needs, such as large numbers of visitors from time to time. FaCS would expect that the Commission's extensive consultations with Indigenous people raised questions about the appropriateness of bedroom need as a measurement of overcrowding and discovered other suggestions for measuring this significant element of housing need. Discussion of other possible measurement criteria would be of benefit.

The discussion of housing affordability in paragraphs 33-34 (pages 93-94) suggests that affordability is an indicator of 'greater need'. FaCS contends that affordability is one of a number of measures of housing need and it should not be given more weight than others. Affordability of housing is an issue that primarily affects people (Indigenous and non-Indigenous) in metropolitan and urban areas, and mainstream programs have been implemented in response to it. Affordability tends to have less impact on Indigenous people living in remote and isolated areas, where issues of housing functionality, housing condition and overcrowding tend to be more significant.

Paragraph 48 (page 97) gives two examples for setting housing need priorities. However, both examples are unclear and require explanation. From this paragraph, and the following paragraphs, it would seem that the Commission may be trying to over simplify assessment of Indigenous housing need and resource allocation. The issues are complex and Indigenous housing need must be considered at a detailed level if all issues are to be given due recognition. Different aspects of housing need overlap and compete with one another, for example, overcrowding places increased pressure on health hardware which can lead to earlier breakdown, or addressing overcrowding in isolation of other aspects of housing need could lead to greater affordability problems for more households.

FaCS' priority in addressing housing need is related directly to enabling Indigenous people to perform the four critical healthy living practices listed in the comments on 'health' above. However, the department recognises that other aspects of need, for example, adequacy (homelessness, overcrowding and stock condition), affordability and emerging need must be addressed concurrently if sustainable long-term improvements are to be achieved.

Paragraph 59 (page 99) and paragraph 68 (page 101) suggest that Indigenous housing agreements have been signed between the Commonwealth, ATSIC and all states and territories. In fact, agreements have been signed with the Northern Territory, New South Wales, Western Australia and South Australia, and a Torres Strait housing and infrastructure agreement has been signed with Queensland and the Torres Strait Regional Authority. Negotiations are continuing with the other states and the Australian Capital Territory. As noted, processes for allocating Indigenous housing funds vary from state to state. However, this is not as a result of bilateral agreements. The agreements reflect state arrangements.

In paragraph 66 (page 101), the focus on safe, healthy and sustainable housing for Indigenous Australians attributed to state housing agencies in the 1970s is incorrect. At this time, and for some time after, Indigenous housing policy was generally 'build and abandon'. It was only in 1996 and 1997 that all housing ministers recognised the critical link between better housing and improved health outcomes, agreed to commit to the provision of safe, healthy and sustainable housing, and made housing maintenance, particularly maintenance of health hardware, a priority.



Figure 7-1 (page 102) is difficult to follow and contains some errors:

- the Australian Capital Territory does not receive any ARHP funds;
- there is no direct link between FaCS and the New South Wales Aboriginal Housing Office; and
- ARHP funds are deployed differently in each state and territory. For example, in the Northern Territory funds are channelled exclusively to the community housing sector, but in Queensland funds are used for both community managed and state managed housing. The diagram does not reflect this complexity, as there is no link shown between any of the states and territories and the Indigenous community housing box.

The relationship between expenditure of Community Housing and Infrastructure Program (CHIP) funds and ARHP funds in table 7-10 (page 101) and funds available in states shown in table 7-11 (page 103) is unclear. Neither table seems to show the full picture of available funds and state expenditure. It would be clearer to specify Commonwealth funding (CHIP (including NAHS) and ARHP) and additional state funds in both tables, or to combine the tables into one 'funding and expenditure' table.

In paragraph 71 (page 103), the importance of functioning houses for the health of Indigenous people is portrayed as secondary to its importance for sustaining social and economic well-being. As stated previously, functioning houses are critical for health, and once Indigenous people have better health, their capacity to contribute to the social and economic well-being of the community is likely to increase.

Chapter 10 – Employment

In paragraph 7 (page 140), the words “like the mainstream Work for the Dole program” should be deleted, as Work for the Dole is a compulsory activity for the purposes of the Newstart and Youth Allowance activity test.

The following sentence should be added to Footnote 7 on page 147. “However, it should be noted that, since September 2000, FaCS and Centrelink have implemented a number of initiatives to improve the quality of data on Indigenous customers, including mandatory coding of customers who identify as Indigenous”.

The reference to Income Support Payments in Footnote 9 on page 147 should also include CDEP participants on Parenting Payment (3,000) and Disability Support Pension (200) receiving the CDEP Participant Supplement.

Table 10-7 on page 155 (CDEP wage rates) should note (in a footnote) that since March 2000, a CDEP Participant Supplement (CPS) may be paid to CDEP participants by Centrelink. The current rate of CPS is \$20.80 pf. We also suggest that the CGC obtain more up-to-date CDEP wage rates from ATSIIC.

Paragraph 61 on pages 158-9 notes a number of reasons for low take-up of Intensive assistance by Indigenous customers. Another factor may be constraints on the capacity of Intensive Assistance to meet the cultural needs of Indigenous customers in some cases, as it is focussed on the individual rather than the community.

Attachment A – Expenditure on Indigenous Programs

In table A-8 (page 187), the amount of \$11.0 million listed as being mainstream child care expenditure is incorrect. It should be called "other Indigenous specific". The funding is for Aboriginal playgroups, enrichment programs, school age care (including vacation care) and toy libraries.

Also in table A-8, the amount of \$10.3 million listed as Indigenous specific expenditure is Indigenous specific long day care, that is, Multifunctional Aboriginal Childcare Services (MACS).

Attachment C – Housing

Table C-3 (page 210) has an error and an omission:

- the Queensland Joint Ministerial Advisory Committee has been disbanded; and

- an Indigenous housing agreement between FaCS, ATSIC and the Australian Capital Territory is also being negotiated.

Tables C4 and C5 (page 211) require explanation. It is not clear how the dollars were derived, or what the table is intended to show. New South Wales may not be the best state to illustrate different elements of Indigenous housing need. Need in New South Wales would not be representative of need in other states and territories, for example, in the Northern Territory, Queensland and Western Australia significant numbers of Indigenous people live in discrete Indigenous communities in remote and isolated areas, whereas in New South Wales many Indigenous people live in Sydney and the majority of those in remote areas live in 'mainstream' rural towns.