

INDICATORS OF NEED AND CURRENT DISTRIBUTIONS OF RESOURCES

1. The terms of reference asked the Commission to compare (a) indexes of the relative needs of groups of Indigenous Australians, with (b) the existing distributional pattern of resources available to provide health, housing, infrastructure, education, training and employment services to Indigenous people. The current distribution of resources and the indicators of need are compared below.

2. Sufficient (but incomplete) expenditure data at the ATSI regional level were available in the housing and employment functions only. In the case of health, estimation of expenditure data for most services could be made by ARIA classification only.

3. In comparing indicators of need with expenditure distributions, expenditure should ideally be adjusted to allow for the effects of location on costs, but the Commission has not made this adjustment — there is insufficient information on locational cost differences to do so.

Housing

4. Table 1 summarises selected indicators of housing need and the current distribution of expenditure for each ATSI region. However, the comparisons are incomplete because:

- (i) the indicators of need reflect the needs for additional housing and major upgrades of many Indigenous households, including those serviced by mainstream public housing and the private sector; but
- (ii) the expenditure data relate only to the ARHP, and the housing elements of ATSI's CHIP and NAHS programs — details of mainstream housing services provided under the Commonwealth-State Housing Agreement, and of rent collections, are not available.

5. The table shows the ranking of the ATSI regions on the basis of relative need for additional housing to overcome homelessness and overcrowding, and the relative need for major upgrades of houses in the community housing sector. These figures have show that the pattern of relative needs varies depending on which indicator is considered. It also shows, for the selected programs, average expenditure per household in each region — calculated by dividing the average annual expenditure by the number of Indigenous households in the region.

6. Table 2 provides more detail about the current distribution of expenditure by program. To ensure comparability with the need indicators, which are expressed in relation to the total number of households, the distribution of funds has been calculated on the same basis.

7. Although it might be desirable to combine the indicators before making a comparison with the level of expenditure, it is not clear how this could be done, especially when there is no information on the allocation of expenditure between construction, renovation and maintenance. Besides, there is a timing inconsistency because the needs indicators data relate to 1996 while the funding data are an average for the years 1996-97 to 1998-99.

8. Figure 1 compares, by ATSI region, the rankings of the housing indicators with those implied by the distribution of funds. It suggests a broad correlation between the two.

9. To convey something about the levels of expenditure, the Commission divided the ATSI regions into three groups of 12 — regions most in need, regions in need and regions least in need — based on the ranking from the indicator of needs for additional housing. The average expenditure for the three groups was \$10 399, \$2972 and \$1049 respectively. This shows average expenditure increases as implied relative need increases.

10. For specific regions like Torres Strait, Port Augusta and Nhulunbuy, the existing distribution of Indigenous-specific housing expenditures appears high compared with the measured needs indicators for the regions. This might be due to lack of quality in the data used, or the possibility of other sources of funds not being available in these areas.

Employment

11. Table 3 summarises the employment needs indicator, which treats CDEP as unemployment, and the distribution of funds by ATSI region. Figure 2 presents the information graphically.

12. The range of expenditure included in this comparison covers CDEP, the Indigenous Employment Program (IEP), Disability employment programs, Job Network and Work for the Dole. Details of actual expenditure in each ATSI region were available for CDEP only. The regional distribution of funds for the other programs was estimated from administrative data on commencements during the financial year and national expenditure. A very broad assumption about consistency of unit costs across the regions underlies this approach. To this extent, the results of the comparison between the patterns of needs and expenditure partly reflect the effects of the estimation methods.

13. Table 4 summarises the current distribution of expenditure by ATSI region for selected programs. To ensure comparability with the need indicators, which are expressed in relation to the Indigenous population aged 15-64 years, the distribution of funds has been calculated on the same basis. There is also a degree of timing inconsistency

in the data in that the needs indicators data relate to 1996, but funding data relate to 1998-99¹.

14. The distribution in Figure 2 shows a gradually increasing level of expenditure with need. It suggests some concordance between the ranking of regions on the basis of the needs indicator and the ranking based on expenditure. However, there appear to be some State to State, and region to region, anomalies.

15. Dividing the ATSI regions into three groups of twelve — regions most in need, regions in need and regions least in need — on the basis of the needs indicator, and examining the average expenditure per person in each group — \$5796, \$2205 and \$922 respectively — indicates that expenditure increases with need. However, the variation in the distribution within the group of regions most in need is not very sharp.

¹ In 1998-99, the IEP had not commenced. For analysis on a consistent basis we have substituted regional estimates of expenditure for the Training for Aboriginals Program (TAP) in Table 4. TAP was the Indigenous-specific employment program which operated in 1998-99.

Table 1 ILLUSTRATIVE SUMMARY OF INDEXES OF RELATIVE HOUSING NEEDS AND DISTRIBUTION OF FUNDS

ATSIC Region	Expenditure		Need for Additional Housing		Need for Upgrade	
	\$ per household	Rank	Index ^(a)	Rank	Index ^(b)	Rank
Tasmania	422.7	1	0.17	1	0.03	2
Patpa Warra Yunti (Adelaide)	470.6	2	0.35	7	0.23	9
Perth Noongar	545.3	3	0.48	11	0.12	4
South East Queensland (Brisbane)	769.1	4	0.33	5	0.12	5
Sydney	773.4	5	0.32	4	0.15	6
Many Rivers (Coffs Harbour)	1 017.5	6	0.39	9	0.30	10
Binaal Billa (Wagga Wagga)	1 310.5	7	0.35	8	0.37	12
Yilli Rreung (Darwin)	1 512.1	8	0.99	16	0.54	14
Queanbeyan (includes ACT)	1 572.5	9	0.30	3	0.34	11
Kaata-Wangkinyinyi (Narrogin)	1 585.2	10	0.64	12	0.03	1
Binjurr (Wangaratta)	1 789.5	11	0.27	2	0.11	3
Murdi Paaki (Bourke)	2 114.2	12	1.07	17	2.44	25
Tumbukka (Ballarat)	2 157.1	13	0.34	6	0.21	8
Central Queensland (Rockhampton)	2 248.2	14	0.68	13	0.93	16
Kamilaroi (Tamworth)	2 390.6	15	0.46	10	1.16	18
Yamatji (Geraldton)	2 409.6	16	0.97	15	0.18	7
Townsville	2 851.8	17	1.13	18	0.76	15
Goolburri (Roma)	2 879.4	18	0.68	14	0.53	13
Alice Springs	3 046.5	19	1.60	24	2.24	24
Cairns and District	3 488.9	20	1.23	19	0.97	17
Ngarda-Ngarli-Yarndu (South Hedland)	3 555.6	21	1.58	23	1.75	21
Wongatha (Kalgoorlie)	4 880.7	22	1.41	20	1.90	23
Kullari (Broome)	4 931.9	23	2.10	26	1.71	20
Peninsula (Cooktown)	5 598.2	24	3.96	29	8.09	33
Wangka-Willurrara (Ceduna)	6 050.3	25	1.58	22	1.48	19
Gulf and West Queensland (Mt Isa)	7 535.6	26	1.86	25	2.67	26
Nulla Wimila Kutju (Port Augusta)	8 294.3	27	1.42	21	3.81	27
Yappakurlangu (Tennant Creek)	9 328.3	28	6.00	32	1.87	22
Malarabah (Derby)	10 305.0	29	3.53	28	6.00	29
Garrak-Jarru (Katherine)	10 655.1	30	6.50	33	4.03	28
Papunya (Apatula)	11 931.0	31	9.46	35	6.11	30
Wunan (Kununurra)	12 460.4	32	4.09	30	6.89	32
Western Desert (Warburton)	13 103.6	33	5.42	31	8.87	34
Jabiru	13 431.1	34	8.17	34	9.56	35
Miwatj (Nhulunbuy)	22 430.5	35	13.31	36	10.51	36
Torres Strait	24 437.5	36	3.43	27	6.34	31

(a) Calculated as the average number of additional bedrooms required per Indigenous household, divided by the Australian average requirement for extra bedrooms per Indigenous household.

(b) Calculated as the number of households occupying a community housing property that requires major renovation, divided by the number of Indigenous households. To ensure all parts of the comparison use a common denominator, this index is different from the one used for estimating relative need for upgrading in Chapter 7 of the Report.. There are doubts about the comparability of the community housing and total household data used in constructing this index.

Source Commonwealth Grants Commission.

Table 2 DISTRIBUTION OF ARHP, HOUSING COMPONENTS OF CHIP AND NAHS FUNDS

ATSIC Region	Total expenditure, 1996-97 to 1998-99				Average expenditure \$m per year	Total number of Indigenous households	Average expenditure per household \$
	NAHS	ARHP (a)	CHIP	Total			
Tasmania	0.7	2.1	3.8	6.6	2.2	5 214	422.7
Patpa Warra Yunti (Adelaide)	0.0	3.7	2.0	5.7	1.9	4 039	470.6
Perth Noongar	1.3	5.6	1.4	8.2	2.7	5 029	545.3
South East Queensland (Brisbane)	1.0	10.6	9.7	21.3	7.1	9 226	769.1
Sydney	3.6	19.4	3.7	26.7	8.9	11 516	773.4
Many Rivers (Coffs Harbour)	0.9	18.1	5.6	24.6	8.2	8 057	1 017.5
Binaal Billa (Wagga Wagga)	1.8	12.2	7.8	21.7	7.2	5 532	1 310.5
Yilli Rreung (Darwin)	2.5	4.6	3.1	10.2	3.4	2 254	1 512.1
Queanbeyan (includes ACT)	2.4	6.2	5.5	14.1	4.7	2 999	1 572.5
Kaata-Wangkinyinyi (Narrogin)	0.0	6.2	1.7	7.9	2.6	1 665	1 585.2
Binjurr (Wangaratta)	0.7	13.3	5.6	19.7	6.6	3 663	1 789.5
Murdi Paaki (Bourke)	2.8	5.4	3.4	11.6	3.9	1 822	2 114.2
Tumbukka (Ballarat)	1.3	16.8	5.0	23.0	7.7	3 561	2 157.1
Central Queensland (Rockhampton)	0.0	16.9	5.1	22.0	7.3	3 262	2 248.2
Kamilaroi (Tamworth)	3.5	10.6	8.4	22.5	7.5	3 139	2 390.6
Yamatji (Geraldton)	0.0	5.8	2.7	8.5	2.8	1 179	2 409.6
Townsville	0.6	23.2	8.0	31.9	10.6	3 723	2 851.8
Goolburri (Roma)	2.5	11.2	8.4	22.0	7.3	2 547	2 879.4
Alice Springs	0.7	4.7	3.1	8.5	2.8	932	3 046.5
Cairns and District	4.9	23.9	9.1	38.0	12.7	3 627	3 488.9
Ngarda-Ngarli-Yarndu (South Hedland)	0.0	4.3	5.6	9.9	3.3	928	3 555.6
Wongatha (Kalgoorlie)	2.9	3.0	4.0	9.9	3.3	677	4 880.7
Kullari (Broome)	2.5	5.2	2.7	10.3	3.4	695	4 931.9
Peninsula (Cooktown)	2.8	9.7	2.5	15.1	5.0	899	5 598.2
Wangka-Willurrara (Ceduna)	0.7	5.1	2.0	7.8	2.6	428	6 050.3
Gulf and West Queensland (Mt Isa)	7.3	20.3	6.1	33.7	11.2	1 490	7 535.6
Nulla Wimila Kutju (Port Augusta)	1.2	19.2	6.9	27.3	9.1	1 097	8 294.3
Yappakurlangu (Tennant Creek)	1.8	6.8	4.5	13.2	4.4	470	9 328.3
Malarabah (Derby)	2.5	13.4	5.3	21.2	7.1	686	10 305.0
Garrak-Jarru (Katherine)	10.7	10.9	7.2	28.8	9.6	900	10 655.1
Papunya (Apatula)	4.8	14.4	9.5	28.7	9.6	802	11 931.0
Wunan (Kununurra)	3.6	12.3	8.2	24.0	8.0	643	12 460.4
Western Desert (Warburton)	2.1	11.1	1.7	14.9	5.0	380	13 103.6
Jabiru	12.2	14.4	9.5	36.1	12.0	897	13 431.1
Miwatj (Nhulunbuy)	13.8	14.4	9.5	37.8	12.6	561	22 430.5
Torres Strait	5.0	64.3	0.0	69.3	23.1	945	24 437.5
Total	105.2	449.6	187.9	742.7	247.6	95 484	2 592.9

(a) Includes State funding.

Source DFaCS and ATSIC.

Figure 1 COMPARISON OF HOUSING INDICATORS AND DISTRIBUTION OF FUNDS: INDEXES AND RANKS

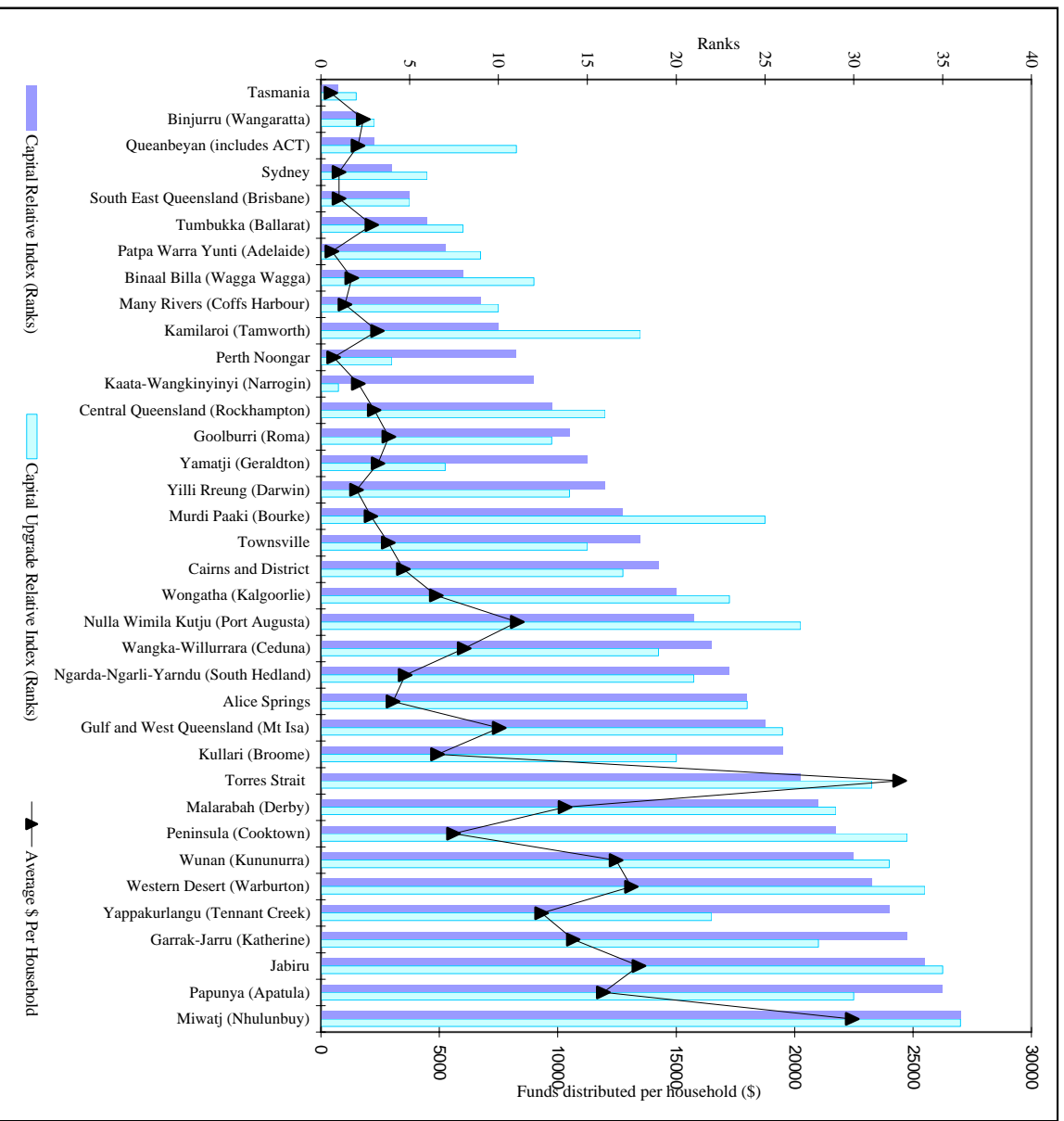


Table 3 ILLUSTRATIVE SUMMARY OF INDICATOR OF RELATIVE EMPLOYMENT AND DISTRIBUTION OF FUNDS

ATSIC Region	Expenditure		Indicator of Effective Employment, excluding CDEP	
	\$ per capita	Rank	Index ^(a)	Rank
Tasmania	319	1	0.76	1
South East Queensland (Brisbane)	457	2	0.68	4
Sydney	533	3	0.72	3
Yilli Rreung (Darwin)	652	4	0.55	9
Townsville	734	5	0.54	12
Central Queensland (Rockhampton)	780	6	0.55	8
Binjirru (Wangaratta)	880	7	0.74	2
Tumbukka (Ballarat)	956	8	0.67	5
Queanbeyan (including ACT)	1 045	9	0.66	6
Perth Noongar	1 055	10	0.52	14
Binaal Billa (Wagga Wagga)	1 166	11	0.52	16
Patpa Warra Yunti (Adelaide)	1 433	12	0.59	7
Many Rivers (Coffs Harbour)	1 500	13	0.54	10
Torres Strait	1 832	14	0.50	20
Goolburri (Roma)	2 114	15	0.53	13
Cairns and District	2 422	16	0.52	15
Wongatha (Kalgoorlie)	2 444	17	0.51	19
Kamilaroi (Tamworth)	2 498	18	0.46	25
Alice Springs	2 807	19	0.51	18
Gulf and West Queensland (Mount Isa)	2 941	20	0.51	17
Papunya (Aputula)	3 192	21	0.16	36
Murdi Paaki (Bourke)	3 669	22	0.48	22
Ngarda-Ngarli-Yarndu (South Hedland)	4 071	23	0.48	23
Kaata-Wangkinyiny (Narrogin)	4 181	24	0.54	11
Yamatji (Geraldton)	4 484	25	0.48	21
Yapakurlangu (Tennant Creek)	4 999	26	0.27	31
Jabiru	5 127	27	0.20	33
Miwatj (Nhulunbuy)	5 154	28	0.18	34
Nulla Wimila Kutju (Port Augusta)	5 252	29	0.29	28
Garrak-Jarru (Katherine)	5 609	30	0.28	30
Wangka-Wilurrara (Ceduna)	8 153	31	0.48	24
Wunan (Kununurra)	8 205	32	0.38	27
Western Desert (Warburton)	8 500	33	0.18	35
Kullarri (Broome)	8 909	34	0.41	26
Malarabah (Derby)	9 667	35	0.29	29
Peninsula (Cooktown)	10 560	36	0.25	32

(a) Estimated as the number of employed people per head of population aged 15 to 64 in each region, divided by the comparable Australian average figure. CDEP participation was treated as unemployment. Census data used in these calculations are subject to large error in recording CDEP participants.

Source: Commonwealth Grants Commission.

Table 4 DISTRIBUTION OF EMPLOYMENT FUNDS PER PERSON

ATSIC Region	Expenditure, 1998-99						Total	Number of Indigenous people aged 15-64	Average expenditure per person
	CDEP	IEP (TAP)	Disability employment programs	Job Network	Work for the Dole				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	No.	\$pc	
Tasmania	228	1 204	186	870	48	2 536	7 942	319	
Brisbane	1 824	1 850	176	3 149	145	7 144	15 627	457	
Sydney	5 044	2 810	347	2 334	224	10 758	20 172	533	
Darwin	1 506	853	131	1 020	37	3 546	5 435	652	
Townsville	2 189	1 763	92	1 896	78	6 017	8 195	734	
Rockhampton	2 641	671	71	1 388	110	4 881	6 256	780	
Wangaratta	3 328	1 004	149	859	41	5 380	6 112	880	
Ballarat	3 681	1 443	155	725	69	6 072	6 351	956	
Queanbeyan	3 006	1 424	86	855	75	5 445	5 213	1 045	
Perth Noongar	5 287	3 525	61	1 915	113	10 902	10 331	1 055	
Wagga Wagga	6 962	1 919	169	2 359	55	11 464	9 834	1 166	
Adelaide	6 219	2 678	413	1 050	169	10 530	7 348	1 433	
Coffs Harbour	15 191	2 998	239	2 247	157	20 832	13 891	1 500	
Torres Strait	5 403	458	37	90	0	5 987	3 268	1 832	
Roma	8 402	590	54	1 021	67	10 134	4 794	2 114	
Cairns and District	15 607	2 854	96	2 094	46	20 697	8 546	2 422	
Kalgoorlie	2 827	1 192	11	406	15	4 451	1 821	2 444	
Tamworth	10 930	2 114	104	1 776	128	15 051	6 026	2 498	
Alice Springs	6 279	703	66	620	0	7 668	2 732	2 807	
Mount Isa	9 117	1 380	42	537	7	11 083	3 769	2 941	
Apatula	13 852	332	111	386	0	14 682	4 599	3 192	
Bourke	11 927	2 076	72	1 194	8	15 277	4 164	3 669	
South Hedland	8 326	1 091	15	664	0	10 097	2 480	4 071	
Narrogin	12 670	1 317	21	576	5	14 589	3 489	4 181	
Geraldton	9 326	2 308	17	793	39	12 483	2 784	4 484	
Tennant Creek	9 407	151	47	199	0	9 804	1 961	4 999	
Jabiru	22 084	1 248	111	160	6	23 611	4 605	5 127	
Nhulunbuy	21 415	232	103	154	0	21 904	4 250	5 154	
Port Augusta	16 282	997	193	513	34	18 019	3 431	5 252	
Katherine	20 986	872	97	573	20	22 547	4 020	5 609	
Ceduna	8 004	326	59	151	13	8 553	1 049	8 153	
Kununurra	17 631	439	14	122	0	18 206	2 219	8 205	
Warburton	14 638	107	10	61	0	14 815	1 743	8 500	
Broome	16 618	420	12	284	2	17 336	1 946	8 909	
Derby	21 655	188	14	140	6	22 003	2 276	9 667	
Cooktown	36 825	521	40	69	0	37 455	3 547	10 560	
Total	377 315	46 060	3 618	33 250	1718	461 961	202 226	2 284	

Sources: ATSIC, DEWRSB and DFaCS.

Figure 2

COMPARATIVE INDEX AND RANK OF EFFECTIVE EMPLOYMENT INDICATOR EXCLUDING CDEP AND DISTRIBUTION OF FUNDS

