



Australian Government

STRATEGIC REVIEW OF
INDIGENOUS EXPENDITURE

February 2010

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CABINET IN CONFIDENCE

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**Strategic Review of
INDIGENOUS EXPENDITURE**
Report to the Australian Government

February 2010

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Department of Finance and Deregulation

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EXECUTIVE SUMMARY

OBJECTIVES OF THE REVIEW

The primary objective of the review is to assess how well the current array of Commonwealth Indigenous programs, and associated whole-of-government coordination arrangements, serve to support the achievement of the Government's Indigenous policy objectives: in particular, the COAG *Closing the Gap* targets for reducing Indigenous disadvantage. In addition, the review has been asked to identify how funding could be redirected from low-value to high-value programs by means such as program consolidation, the removal of program duplication, and the modification or termination of under-performing programs.

The review is not designed to produce savings to be returned to the Budget; rather, to identify changes to existing program structures and delivery arrangements which will make better use of available resources in supporting the achievement of the Government's Indigenous policy goals.

PRINCIPLES INFORMING THE REVIEW

The work of the Review has drawn on a number of statements of principle that have been developed by COAG, and in particular:

- the *Service Delivery Principles for programs and services for Indigenous Australians* (Schedule D of the *National Indigenous Reform Agreement (NIRA)*); and

the *National Investment Principles for Remote Locations* (Schedule E of NIRA).

The specific principles guiding the review of existing programs are summarised at [Attachment B](#).

The Review has drawn up a (closely related) statement of principles to guide the development of any new Indigenous program initiatives ([Attachment C](#)). It proposes that these principles be employed in assessing new policy proposals in future Budget processes.

PROCESS OF THE REVIEW

The Review has principally been undertaken within the Commonwealth government family and careful thought will need to be given to how the response to its recommendations should be progressed in partnership with all interested parties, including the *National Congress of Australia's First Peoples*, once established, and State and Territory governments.

KEY FINDINGS

Policy needs to be supported by effective implementation.....

F.1 Despite the concerted efforts of successive Commonwealth, State and Territory governments to address Indigenous disadvantage, progress has been mixed at best:

modest improvements in some areas have been offset by static or worsening outcomes elsewhere. Even in the few areas where clear improvements have been made, the outcomes for Indigenous Australians remain far short of those for non-Indigenous Australians. **Past approaches to remedying Indigenous disadvantage have clearly failed, and new approaches are needed for the future.**

- F.2 The new policy framework developed by COAG (as reflected in the National Indigenous Reform Agreement and the *Closing the Gap* strategy) represents a comprehensive, coherent and ambitious agenda for reform. **The key challenge from this point lies not so much in further policy development as in effective implementation and delivery.** In the Indigenous area, more than any other, there has been a huge gap between policy intent and policy execution, with numerous examples of well-intentioned policies and programs which have failed to produce their intended results because of serious flaws in implementation and delivery.
- F.3 The Commonwealth's total expenditure on its Indigenous-specific programs amounts to some **\$3.5 billion annually**. This major investment, maintained over many years, has yielded dismally poor returns to date. Even so, significant funding pressures are evident in a number of areas: Indigenous housing, remote infrastructure, community safety, Indigenous capability development, legal aid, Native Title reform and mobility assistance, amongst others.
- F.4 Notwithstanding these current funding pressures, **in many cases the need is not so much for higher levels of spending as to use existing resources (both Indigenous-specific and mainstream) far more effectively.** Improvements in Indigenous schooling outcomes are a case in point.

.....and a sharper focus is needed on the performance of mainstream services

- F.5 Achievement of the *Closing the Gap* targets and other Indigenous policy goals will depend critically on improvements in the quality of the mainstream services delivered to Indigenous Australians – particularly for Indigenous communities in urban and regional settings. 'Supplementary programs' may sometimes play a useful role, but should not be relied on to remedy serious deficiencies in mainstream services. **A major role for the Commonwealth under the new COAG framework should be to ensure that mainstream service providers are held properly and fully to account, using the new array of instruments at its disposal (such as the wide range of National Partnership Agreements). Where mainstream programs and services fail to deliver their intended results the appropriate policy response should be to reform those mainstream services rather than to invent new funding programs.**

There is considerable scope to rationalise the Commonwealth's Indigenous programs

- F.6 **The current set of Indigenous-specific programs across the Commonwealth is unduly complex and confusing.** There are too many programs sometimes with poorly articulated objectives and an excess of red tape. In some cases, program logic is weak, with little evidence of any real, testable strategy for change or methodology for reform. In other cases, underlying assumptions are flawed or unrealistic, especially in

regard to the scale and timing of investment needed to drive lasting change. Too often, programs offer little more than temporary respite from the worst of the symptoms they are designed to treat, or are able to assist only a small proportion of those eligible.

- F.7 **Robust evidence is lacking on the performance and effectiveness of many Indigenous programs.** Program evaluation activity in this area has been patchy at best, and many of the evaluations which have been conducted have lacked a suitable measure of rigour and independence. **More robust evaluation arrangements are needed for the future.** Evaluation efforts should be concentrated on those key policy measures (such as the Northern Territory Emergency Response (NTER) and Remote Service Delivery (RSD) strategies) and major programs in which significant resources are invested, and which have the potential to contribute materially to the achievement of the *Closing the Gap* targets. Data improvements are also needed, both for evaluation and reporting purposes: the lack of robust baseline data, for example, has been a key weakness in many evaluation studies.
- F.8 **There is a strong case to reduce the number of Indigenous-specific programs operating across the Commonwealth.** A smaller number of programs, with more clearly defined objectives, would have benefits both in clarity and flexibility. For the future also there would be benefit in examining the performance of programs, and assessing priorities for future investment, across a number of broadly defined 'functional groups' (along the lines of those employed in this Review, based on the COAG *Closing the Gap Building Blocks*).
- F.9 The Review's proposals for change to current program arrangements fall into three broad categories, although the latter two overlap:
- the **consolidation or broad-banding of closely related programs:** the Review is proposing or endorsing the consolidation of some 51 currently separate Indigenous-specific programs into 18 continuing programs. Most often the continuing program is Indigenous specific but in a few cases it is a mainstream program. Savings are estimated at around \$1.5 million per annum in a full year. Savings from refocussing ICC operations could be of the order of \$3.5 million per annum in a full year;
 - the **cessation or restructuring of programs:** the Review has identified 25 instances in which there is a case to cease a program on the expiry of current funding commitments (or confirm cessation of a terminating program), or alternatively to restructure the program when evaluation results are available and circumstances permit (subject, in some cases, to negotiations with the States and Territories). Programs that could be considered in the 2010-11 Budget could save in the order of \$6 million to \$9 million per annum in the out-years. In the case of eight terminating programs the out year funding is in effect fully committed but decisions can confirm that they will then cease; and
 - the **transfer of program responsibilities to the States and Territories:** the Review has identified 15 programs which should be considered for transfer to the States and Territories on the grounds that the activities supported fall within their mainstream responsibilities, as defined by COAG. Transfers would usefully free up Commonwealth Departmental funds.

F.10 **A more stringent approach is needed to the assessment of future proposals for the establishment of new Indigenous-specific funding programs.** A key requirement should be to demonstrate why an existing program (whether mainstream or Indigenous) could not be used or adapted to meet the stated objectives of the proposal. There should also be a critical appraisal of the intended program logic: that is, the means by which the actions to be taken under the program can be expected to lead to changes consistent with the program's objectives. As part of a revitalised Single Indigenous Budget Submission (SIBS) process, Finance should play a more active role in evaluating such proposals and identifying areas of possible savings and offsets.

Effective service delivery continues to be a major challenge.....

F.11 A clear message from the recent past is that **policies and programs must be targeted to local needs, in close engagement and active partnership with the people they are designed to assist.** From this viewpoint, **strategic priorities in improving service delivery include:**

- enhancing the on-going professionalism and service capability of the Australian Public Service (APS);
- increasing agency presence 'on the ground'; and
- giving priority to flexible joined-up-government solutions and services.

F.12 **Key challenges to effective service delivery include:**

- equipping those delivering services (whether public servants, health professionals, teachers, contractors, or community advisers) with the skills, support services and infrastructure they need to engage effectively with the Indigenous people they are supporting (e.g., young people and families in troubled circumstances);
- identifying a range of suitable governance and decision-making processes that effectively balance the variety of Indigenous governance styles with governments' responsibilities for properly managing public funds. These governance approaches should be designed to empower Indigenous people and communities, including equipping them with relevant skills, so that they can progressively take meaningful control of their futures; and
- tackling the multiple dimensions of Indigenous disadvantage: even with skilled intervention and stronger community leadership, social and economic disadvantage are often deep-seated and involve complex relationships that are difficult to address in any setting.

.....as does co-ordination of effort across different Commonwealth agencies

F.13 **Notwithstanding efforts in recent years, whole-of-government coordination remains a major challenge.** Program management and service delivery remains fragmented rather than coordinated, with weak linkages even within agencies, let alone across them. The multitude of separate disconnected programs runs contrary to the need for flexibility of service delivery, most obviously in remote locations, and creates a surfeit of unnecessary red tape. Communication between agencies is too often poor, even where their responsibilities and interests are closely related. **Significant efficiencies could be gained by pooling expertise and coordinating efforts** in areas where individual agencies are currently 'doing their own thing' (as in the planning and

provision of staff housing in remote parts of the country, governance and leadership programs, and contracting).

An effective partnership with the States and Territories is essential.....

- F.14 **An effective partnership between the Commonwealth and the States will be critical to the implementation of the Indigenous reform agenda and to the achievement of the *Closing the Gap* targets.** Within the framework of roles and responsibilities agreed by Council of Australian Governments (COAG), a major challenge remains to coordinate the efforts of the Commonwealth and the States in ways which promote seamless and effective service delivery 'on the ground'. A package approach should be taken in negotiating a response with the States and Territories to relevant recommendations arising from this Review.
- F.15 Like the Commonwealth, State and Territory governments administer a large number of Indigenous-specific funding programs which interact with, and in some cases duplicate, the Commonwealth's programs. There is a case for these programs to be subject to a similar process of review, under COAG auspices, noting that this would be facilitated by the information to be provided in the new whole-of-government Indigenous Expenditure Report.

.....but this is also an area of high risk

- F.16 **There are real risks that the States and Territories will not deliver on key aspects of the agreed COAG agenda.** The capacity of the Northern Territory Government is a particular concern, as evidenced by its performance to date in the housing and schooling domains. Similar, if lesser, concerns apply to other jurisdictions as well. To guide its strategic management of this risk the Commonwealth should develop a **risk management plan** which identifies key milestones and options for action in the event that the States fail to deliver on key commitments.

Priorities for investment

- F.17 **The Review identifies a number of areas for funding priority in the near term:**
- Some areas of significant funding pressure (such as infrastructure requirements and funding for negotiated settlements of *Native Title* claims) are expected to be addressed in Cabinet submissions over coming months.
 - Subject to decisions by Government, it is recommended that funds freed up as a result of this Review be directed to a range of measures – community safety/legal aid, capability development, mobility programs, professional development in the APS and increased evaluation effort.
 - A number of proposed measures that are subject to evaluation, or negotiation with the States and Territories, or are sensitive programs that could be reviewed in the light of changing circumstances, have the potential to free up additional resources that could also be reassigned to other priorities in the near term.

The need for a long-term view

- F.18 The deep-seated and complex nature of Indigenous disadvantage calls for **policies and programs which are patient and supportive of enduring change** (including in the attitudes, expectations and behaviours of Indigenous people themselves). **A long-term investment approach** is needed, accompanied by a sustained process of continuous engagement. Broad budget allocations should be reviewed every few years to identify medium-term budget priorities that support a balanced approach to meeting the Government's Indigenous policy goals. The proposed thematic and cross-program evaluations, such as that envisaged for the NTER, should serve to inform those judgements.
- F.19 Consistent with the highly youthful age structure of the Indigenous population, **the critical objective of improving the outcomes achieved by young Indigenous people, and particularly their education outcomes, can serve as a prism that can guide policy priorities and gauge the overall success of the COAG strategies**. Unless Indigenous children secure a good start in life, including a strong base of skills through the schooling system, their prospects for a healthy and productive life will remain bleak and progress in addressing Indigenous disadvantage overall will continue to be painfully slow.
- F.20 Some 25 per cent of Indigenous Australians live in locations classified as 'remote' or 'very remote', in many of which the multiple dimensions of Indigenous disadvantage are starkly evident. While the need for policy intervention in these communities is clear and compelling, **a key consideration is the long-term economic viability and sustainability of a community**. Consistent with the principles agreed by COAG, priority for infrastructure support and service provision in the future should be directed to larger and more economically sustainable communities where secure land tenure exists, with outreach services and other forms of access provided for the residents of smaller surrounding communities. At the same time, there should be **support for voluntary mobility** by individuals and families to areas where better education and job opportunities exist, or where there are higher standards of services.
- F.21 A number of significant policy initiatives have recently been put in place and now need time to prove their efficacy. **The RSD**, in particular, represents a bold experiment in testing new approaches to community engagement and coordinated service delivery. Its emphasis on sustained engagement and long-term development is welcome and appropriate, as is its recognition of the need to target policies and programs to local needs. While the strategy offers considerable promise and potential, it is still at a very early stage of implementation, and no doubt many lessons will be learned as implementation proceeds. It would be prudent to evaluate the performance of the strategy within the 29 communities in which it is currently operating before considering any extension to a wider range of communities.
- F.22. With 75 per cent of Indigenous Australians now resident in **urban and regional locations**, the achievement of COAG's *Closing the Gap* targets will not be possible unless significant gains can be made in these localities. Concerted efforts are needed to leverage both Indigenous-specific and mainstream funding, as agreed by COAG, to improve the outcomes achieved by Indigenous Australians in metropolitan areas and major regional centres.

REVIEW OF PROGRAM ARRANGEMENTS

A survey undertaken to inform the review has identified 232 Indigenous-specific programs and mainstream programs with provisions specific to the Indigenous community. The Review has considered these programs in functional groupings broadly based on the COAG *Closing the Gap Building Blocks* framework.

Listed below are draft recommendations on program arrangements within each functional grouping, followed by draft recommendations addressing cross-cutting issues.

EARLY CHILDHOOD DEVELOPMENT

- 1. A more coordinated approach should be taken to service planning and delivery of program support for Indigenous early childhood development. New arrangements should encourage the development of welcoming and integrated service gateways for expectant mothers and families with young children in ways which assist those families' access to available services.**
2. DEEWR and the Deputy Secretaries Group on Support for Young Children and their Families should lead coordinated and integrated policy and program delivery for this target group and take a collaborative approach to developing new/existing services utilising service delivery plans and networks.
3. Departments should expand the use of antenatal care and child/maternal health service platforms as an effective gateway for encouraging families with Indigenous children to access available programs.
4. A *Budget Based Funded* child care services transition strategy should be adequately funded (for transition to *National Quality Agenda* standards) and be linked with the child care proposals being developed following the Child Care Market Review.
5. The new performance framework being developed under the *National Early Childhood Development Strategy* should include a specific focus on support for Indigenous children, with a direct line-of-sight to relevant COAG targets and other policy objectives.
6. Current programs should be consolidated into three streams – Child and Maternal Health, Early Childhood Education and Care, and Family Support – with flexibility to match program profiles with local service capabilities and needs:
 - 6.1. DEEWR playgroups should transfer to FaHCSIA;
 - 6.2. DEEWR preschool programs should transfer to the States and Territories with the funds being allocated to other Commonwealth priorities; and
 - 6.3. the effectiveness and the value for money of remaining program elements should be evaluated over the next several years.

SCHOOLING

- 7. Education is central to improving the life opportunities and choices available to Indigenous Australians, and improvements in schooling outcomes will be fundamental to the success of the Indigenous reform agenda as a whole. Consistent with the policy framework agreed by COAG, the Commonwealth's primary focus in schooling should be to hold mainstream systems and providers to account in meeting their obligations**

under the *National Education Agreement, the Smarter Schools National Partnership Agreements and the Indigenous Education Action Plan.*

8. The next reviews of Implementation Plans and Bilateral Agreements under the three *Smarter Schools National Partnership Agreements* should pay particular attention to the extent to which specific education outcomes are being achieved for Indigenous students, in terms which can be reliably measured and reported.
9. Funding for the *Parent and Community Engagement* program, the *Sporting Chance* program and the *Community Festivals* program should be pooled into a single funding allocation which can be targeted strategically to support the objective of stronger community and student engagement in schooling.
10. The effectiveness of the NTER measure *Enhancing Education – School Nutrition* should be critically assessed as part of the planned NTER evaluation strategy. Evidence to date suggests that, while the program has boosted Indigenous employment and may have helped to improve children's nutrition, it has failed to achieve its primary goal of boosting school attendance rates in NTER communities. Any continuing funding of this program should be subject to the development of a transition plan which recognises the primary responsibility of families and communities in this domain.
11. The programs *Closing the Gap – Expansion of Intensive Literacy and Numeracy Programs* and *Closing the Gap – Individual Learning Plans*, both election commitments, provide support for mainstream activities which fall within the scope of the new *Smarter Schools National Partnership Agreements*. The current programs should be evaluated for effectiveness, and any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of those Agreements.
12. The following schools programs are of limited effectiveness, and should cease when their current funding contracts expire:
 - 12.1. *Indigenous Support Units – Non-government schools;*
 - 12.2. *Targeted Projects – Other; and*
 - 12.3. *Program Support.*
13. Remaining elements of the *Targeted Projects* program should be used to support innovation in professional practice, with a focus on local innovative activities which may have wider application nationally. Current program elements including *Dare to Lead, What Works and the Indigenous Education Leadership Institute – Stronger Smarter Learning Communities* should be evaluated for their effectiveness. As these programs support mainstream activities which fall within the scope of the *National Partnership Agreement on Improving Teacher Quality*, any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of that Agreement.
14. The terms of the Commonwealth's support of the *MULTILIT/SET in Cape York* program should be reviewed and renegotiated as necessary in light of the decisions recently announced by the Queensland Government to commit additional resources to improve the literacy and numeracy skills of students attending Cape York schools.
15. The program *Additional 200 Teachers for the Northern Territory*, a 2007 election commitment, provides earmarked Commonwealth funding to support a mainstream responsibility of the Northern Territory Government. The appropriateness of this arrangement should be reviewed before the expiry of the current funding commitment in June 2012. In the interim, funding for this measure should be provided by way of a variation to the terms of the *National Partnership Agreement on Closing the Gap in the Northern Territory*.

16. In recognition of the particular barriers to educational participation faced by many Indigenous students, the *ABSTUDY Secondary* program be retained as a separate, Indigenous-specific scheme of student assistance.
17. As part of a more strategic approach to the operation of Commonwealth-funded scholarship programs for Indigenous students, funding for the *Indigenous Youth Leadership Program* should be geographically targeted in a manner that better complements the support provided under the *Australian Indigenous Education Foundation* program.
18. A more coherent approach is needed to the provision of Commonwealth support for school boarding facilities. Where capital funding is provided, there should be a clear plan as to how the facility will be managed and funded on an ongoing basis. Decisions in this area should be taken in a way which does not absolve the States and Territories, as the relevant mainstream authorities, from meeting their own responsibilities to their Indigenous students.
19. *Indigenous Education Consultative Bodies* should continue to be funded as a conduit for consultation with Indigenous parents and communities, and as an independent source of policy advice on Indigenous education and training, but their operational effectiveness should be kept under review.

YOUTH AT RISK

20. **DEEWR as the lead Commonwealth agency for youth, in consultation with other Commonwealth agencies, should develop an Indigenous youth policy strategy to better coordinate the Commonwealth's efforts in partnership with States and Territories.**
21. The Indigenous youth policy strategy should focus on those at risk of disengagement (or already disengaged) from education systems, health and social services, and future economic participation, and as a result facing poor(er) life outcomes. The document should consider:
 - 21.1. identifying linkages to the *National Strategy for Young Australians*;
 - 21.2. clarifying respective Commonwealth agencies' roles and responsibilities in this area
 - 21.3. acknowledging States and Territories' major roles, with the Commonwealth's role being clearly defined to add value rather than duplicate their efforts;
 - 21.4. incorporating the work currently being driven by the Minister for Indigenous Health and align with broader Health Reform directions;
 - 21.5. addressing policy and program requirements including age-appropriate responses for both younger and older cohorts— i.e. age 8 to 24 years, with the option to extend to 28 years in some cases;
 - 21.6. addressing prevention and early intervention strategies;
 - 21.7. giving emphasis to strength-based approaches, noting the rationale and role for culture and family as protective factors and use of sport and recreation programs as engagement vehicles;
 - 21.8. requiring local implementation plans that link local services, including education, training, employment and health (including mental health and substance use) services, as well as the service mechanisms needed for better coordinated and collaborative service delivery at the local level; and

- 21.9. giving consideration to the specific needs of Indigenous youth in remote areas, including adequacy of accommodation, mobility assistance and pastoral care arrangements in regional centres.
22. Current Indigenous youth at risk programs, as identified here, should be consolidated within DEEWR and broad-banded and aligned with the Commonwealth policy objectives for Indigenous youth, with supportive sustainable funding arrangements applying. The consolidated program should comprise:
- 22.1. The youth diversion elements of the *Petrol Sniffing Diversion Project/Youth Wellbeing* program;
 - 22.2. the youth diversion elements of the *Indigenous Justice* program;
 - 22.3. *Reducing Substance Use (Petrol sniffing)*; and
 - 22.4. *Closing the Gap in the Northern Territory - Youth in Communities*.
23. Service provider performance in the new mainstream *Youth Connections* program should be monitored to ascertain whether it is delivering on its intended objectives and target groups, including for Indigenous youth and especially for those who are outside existing service mechanisms.
- 23.1. Subject to the monitoring of performance, program guidance or funding should be adjusted to achieve the desired outcomes for Indigenous youth. For those service Regions that have been defined as having significant populations of Indigenous young people, *Youth Connections* will deliver personalised support to Indigenous youth at risk with target outcomes set as a proportion of the total outcomes achieved for young people at risk in those regions.

HEALTH

24. **The Commonwealth's approach in Indigenous health should be to build on the success of the Office for Aboriginal and Torres Strait Islander Health (OATSIH)'s dedicated focus on enhancing the health profile of the Indigenous community, while ensuring appropriate attention to Indigenous needs within the mainstream health system.**
25. Note that the Health Reform agenda may have implications for the division of responsibility between the Commonwealth and the States and Territories for funding and delivery of both mainstream health services for Indigenous Australians as well as Indigenous-specific health.
26. In the context of the Commonwealth's recent Health Reforms and those currently under consideration:
- 26.1. review the relationship between current grant funding for Indigenous health services and *Medicare* billing arrangements, to ensure consistency and equity in funding levels as *Medicare* billing rates vary between providers and over time; and
 - 26.2. Consider a transfer of responsibility to the States and Territories for *Indigenous Substance Use* program (excluding tobacco and petrol sniffing initiatives) along with mainstream substance use programs which, in principle, should transfer under the terms of current COAG agreements.
27. Indigenous-specific health care should be consolidated into the following programs:
- 27.1. *OATSIH Primary Health Care*;

- 27.2. *OATSIH Chronic Disease;*
 - 27.3. *OATSIH Close the Gap in the NT;*
 - 27.4. *OATSIH Child and Maternal;*
 - 27.5. *OATSIH Substance Use;* and
 - 27.6. *OATSIH Social and Emotional Wellbeing/Mental Health.*
28. Within the *OATSIH Indigenous Chronic Disease* program:
- 28.1. review the approach to health promotion communications and social marketing strategies to ensure that they are effectively targeted and implemented to achieve the desired impact for Indigenous Australians, drawing on the expertise and activities of other Commonwealth agencies and coordination forums; and
 - 28.2. in light of substantial new investment in reducing Indigenous smoking rates, the Review endorses the scheduled termination of the *Indigenous Tobacco Control Initiative* in mid 2012.
29. Funding to Aboriginal Hostels Limited for residential rehabilitation (substance use) services should transfer to DoHA and be consolidated with the *OATSIH Substance Use* program. An appropriate funding model should be developed for residential rehabilitation services that distinguishes accommodation costs from funding for targeted delivery of treatment and rehabilitation interventions. The quality and effectiveness of different substance use treatment models should be evaluated to inform future funding arrangements for Indigenous Australians.
30. Over time, DoHA should continue to evolve its current resource allocation approach to a model based on balancing per capita funding (input) with relative need and health outcomes achieved, as the new outcome based reporting tool begins to deliver quality health data.
31. DoHA should harmonise its internal program management arrangements to reduce the administrative burden for Indigenous health services. Where appropriate this should take account of the framework developed by the Cross Agency Working Group on Indigenous Funding and Governance Reform (CAWG). DoHA should also lead discussions with State and Territory health funders on a coherent performance and reporting framework for all government funded services, consistent with COAG agreements and the work of CAWG.
32. The *Indigenous Sport Program* managed by the Australian Sports Commission should be transferred to DoHA and consolidated with the *Indigenous Sport and Recreation Program* (ISRP). The ISRP program objectives should be aligned to contribute directly to the *Closing the Gap* targets and policy objectives. Mainstream elite sports programs should cater for the needs of talented Indigenous sportspeople. Management of ISRP funding should be aligned with other program management reforms, including supporting the *RSD Strategy*.
33. DoHA should consult with other Commonwealth agencies to agree a protocol on its engagement and contribution to the *RSD Strategy*.

ECONOMIC PARTICIPATION

34. FaHCSIA and DEEWR should give priority to finalising an Indigenous Economic Development Strategy (IEDS). In doing so, responsibilities at the Commonwealth level

for the delivery of the strategy should be clarified and the specific roles of the Commonwealth and the States and Territories should be articulated.

35. Responsibility and associated funding for non-government institutions delivering Vocational Education and Training (VET) programs should be transferred to the States and Territories. Program elements to be transferred are the:
 - 35.1. Vocational education program element, Supplementary Recurrent Assistance Vocational Education and Training (SRA-VET) non government sub-program;
 - 35.2. Vocational education program element, Indigenous Tutorial Assistance Scheme (ITAS) – VET non-government sub-program; and
 - 35.3. *Training Initiatives for Indigenous Adults in Regional and Remote Communities.*
36. The proposed review of Indigenous higher education access and outcomes, in consultation with the *Indigenous Higher Education Advisory Council*, should examine the efficiency and effectiveness of current programs of support for Indigenous access to higher education, and in particular:
 - 36.1. the effectiveness of the Indigenous Support Program (ISP), the Indigenous Tutorial Assistance Scheme – Tertiary Tuition (ITAS -TT), the Mixed-Mode Away from Base program (AFB) and the Indigenous Access Scholarships program;
 - 36.2. the interaction of these programs with the operation of the ABSTUDY Tertiary Scheme and other forms of income support for Indigenous students; and
 - 36.3. the adequacy of current program performance information and accountability arrangements.
37. At the cessation of current funding arrangements in June 2011, explore options for transferring the funding provided to the *Batchelor Institute of Indigenous Tertiary Education* (BIITE) under the *Transitional Program Assistance (TPA) National Indigenous English Language & Literacy Strategy* (NIELNS) to the *Higher Education Support Act 2003*
38. There should be a review of the interactions and potential overlaps between the restructured *Community Development Employment Projects* (CDEP) program, the *Indigenous Employment Program* and *Job Services Australia* programs by broadening the scope of the review of remote employment servicing scheduled to be completed by July 2011:
 - 38.1. the terms of reference for the review to be agreed between relevant Ministers and be extended to review program interactions in urban and regional as well as remote Australia; and
 - 38.2. to support more effective and integrated delivery of employment-related programs and services, responsibility for CDEP should be transferred from FaHCSIA to DEEWR. This transfer should take effect as soon as possible in order to inform the proposed review and to facilitate any adjustments where change is warranted in the interim.
39. Given the high rates of mobility among Indigenous people, and the importance of mobility as a means of accessing a broad range of services, a more comprehensive policy framework is needed to guide decisions on Commonwealth support for voluntary mobility and relocation assistance. As part of the development of the IEDS, there should be a review of the adequacy of current mobility assistance programs particularly

in opening up education, training and employment options and improving the economic participation of Indigenous Australians.

40. Consolidate and directly fund DEWHA's environmental rangers programs, including by redirecting that part of the funding that is currently provided via the *Natural Heritage Trust*.
41. Endorse the steps being taken by DEEWR and Indigenous Business Australia (IBA) to clarify their respective roles in facilitating business development and support the following restructure:
 - 41.1. DEEWR to focus on 'business readiness' via the IEP and New Enterprise Incentive Scheme programs;
 - 41.2. IBA to focus on business support via its individual and small business loans program and developing partnerships with the private sector banks;
 - 41.3. DEEWR to transfer the Indigenous Capital Assistance Scheme (which is delivered in partnership with Westpac) to IBA, and IBA to explore the possibility of similar partnerships with other banks;
 - 41.4. given the scale and importance of its home loans business, retain IBA in the FaHCSIA portfolio; and
 - 41.5. agree a Memorandum of Understanding between DEEWR and IBA to facilitate a close ongoing working relationship between the two agencies.
42. *The Resources Guide: A Guide to available Resources and Services to assist Indigenous Enterprise Development*, which was compiled by DEEWR in 2006, be updated and extended to include governance and management of community organisations and then be maintained on a regular basis. FaHCSIA should take the lead on this project and, in consultation with relevant agencies and in partnership with the States and Territories, review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services.

HOUSING, HOME OWNERSHIP AND INFRASTRUCTURE

43. **A coordinated whole-of-government response is urgently required to manage implementation of a range of housing and infrastructure programs in regional and remote Australia that are competing for scarce resources and placing cost pressures on budgets that are already stretched.**
44. In respect of Indigenous housing:
 - 44.1. Note the steps that have recently been taken to strengthen delivery of the *National Partnership Agreement on Remote Indigenous Housing*, including the *Strategic Indigenous Housing and Infrastructure (SIHIP)* program.
 - 44.2. Note the success of IBA's *Home Ownership Program (HOP)*, and combine this program temporarily with IBA's *Home Ownership on Indigenous Land (HOIL)* program, in the interests of greater flexibility in the use of the available funds.
 - 44.3. Cease funding the *Fixing Houses for Better Health (Healthabitat)* program when the current contract concludes on 30 June 2011, noting that funding for housing repairs and maintenance is now covered by the *National Partnership Agreement on Remote Indigenous Housing*.
45. In respect of staff housing and related infrastructure needs:

CABINET IN CONFIDENCE

- 45.1. FaHCSIA should coordinate a whole-of-government approach to the provision of staff housing, office accommodation and service infrastructure in remote Australia.
- 45.2. In view of the urgent need to address the current critical shortfall in staff housing and office accommodation in a number of remote Indigenous communities (including priority RSD communities), consideration be given to deployment of short-term demountable style accommodation for this purpose.
46. Enhance the capability of Aboriginal Hostels Limited (AHL) to better contribute to the *Closing the Gap* objectives by:
 - 46.1. clarifying the strategic directions for AHL to support the Government's policy directions as articulated in the *Closing the Gap* targets and making best use of the capabilities and assets available to it in support of those objectives. Desirably, the strategy should provide AHL with the flexibility to respond proactively to the opportunities presented by the Government's evolving policies and programs focusing on Indigenous mobility;
 - 46.2. requiring the AHL Board to urgently address the weaknesses in the organisation's current management structure and operational systems that were identified in the 2008 review of the organisation by Ernst and Young;
 - 46.3. recognising that AHL requires funding to meet essential regulatory requirements affecting the operations of some of its hostels, including addressing occupational health and safety issues. In the near term, should funding for this purpose be approved, it should be conditional on the Minister being satisfied that effective reform is under way within the organisation;
 - 46.4. converting AHL from a corporation to a statutory authority under the Commonwealth Authorities & Companies (CAC) Act 1997; and
 - 46.5. ceasing coverage of AHL's staff under the *Public Service Act* 1999 (with the grandfathering of the current APS entitlements of existing staff).
47. Endorse the consolidation of the *Remote Air Services Subsidy Scheme*, the *Remote Aerodrome Inspection Program*, the *Remote Aerodrome Safety Program* and the *Remote Aviation Infrastructure Fund*, noting that this should lead to better coordination of remote air services and support for remote aerodromes and greater flexibility in allocating funding in line with need.
48. In respect of municipal and essential services and related infrastructure needs in remote communities:
 - 48.1. note that the legislated provisions of the *Building Australia Fund* do not allow this fund to be used in support of remote infrastructure projects;
 - 48.2. note that FaHCSIA will be preparing a Cabinet Submission considering strategies for addressing municipal and essential services and infrastructure requirements of Indigenous communities (making use of current audits of 72 communities to be completed by March 2010). The Submission will address the transfer of responsibility for the *Municipal and Essential Services* program (with consideration of funding options) from the Commonwealth to the States and Territories through a transition program commencing from mid-2012;
 - 48.3. FaHCSIA and DITRDG should identify opportunities where the Commonwealth can press the States and Territories to more actively utilise

local rates and municipal service charges. This would help local government councils covering rural and remote Indigenous communities to provide a more adequate level of municipal services; and

- 48.4.** in line with the planned transition of the *Municipal and Essential Services* program from the Commonwealth to the States from mid-2012, cease funding the *Animal Management in Rural and Remote Indigenous Communities* program and *Renewable Remote Power Generation (Bushlight) Program* from that date.
- 49.** Note the budgetary pressures arising from the significant costs associated with provision of infrastructure and housing in remote communities.

FAMILIES, COMMUNITIES AND CHILD PROTECTION

- 50. The Commonwealth's programs for families, communities and child protection should be better coordinated and more flexibly designed and managed to respond to and meet local needs.**
- 51.** Endorse FaHCSIA's proposed consolidation of its mainstream *Family Support Program* (FSP) noting that once fully implemented, it is envisaged that the FSP will provide the following streams of support:
- 51.1.** family and children's services:
 - 51.2.** family law:
 - 51.3.** specialised services (such as illicit drugs programs, humanitarian, remote Australia):
 - 51.4.** capacity building: and
 - 51.5.** performance and evaluation.
- 52.** Propose that the current Indigenous-specific services be subsumed within the proposed FSP activity and program support streams while allowing that Indigenous-specific delivery arrangements may be warranted in priority locations.
- 53.** AGD and FaHCSIA should consider how best to progress a national Aboriginal and Torres Strait Islander safe communities strategy (for inclusion as a schedule to NIRA) and, following agreement to the strategy, to further consider a National Partnership Agreement on community safety, recognising the responsibility that the States and Territories have for this function. These considerations should inform the work being undertaken on this matter by the Standing Committee of Attorneys-General in consultation with the Working Group on Indigenous Reform.
- 53.1.** AGD and FaHCSIA should work together to develop an agreed strategy on the effective coordination and allocation of funds for the *Family Violence Prevention Legal Services Program* (FVPLSP), *Family Violence Partnership Program* (FVPP) and the *Family Violence Regional Activities Program* (FVRAP) to maximise the benefits for Indigenous communities dealing with family violence and help advance the Government's safe communities agenda.
- 54.** DHS should ensure that comprehensive and authoritative data are available to inform the planned evaluation of the *Income Management* program that is required by 2013.
- 55.** All community stores in remote Indigenous communities should be encouraged to be registered by the Office of the Registrar of Indigenous Corporations (ORIC) under the *Corporations and Aboriginal and Torres Strait Islander Act 2006*.

56. The business model of *Outback Stores* should be reviewed to recognise that *Outback Stores* have two distinct roles: one focusing on commercial operations; and the other on addressing the Government's policy interest in delivery of food security.
57. The Aboriginal and Torres Strait Islander Legal Service (ATSILS) should be maintained as a separate legal aid service for the Indigenous community.
58. The *Law and Justice Advocacy Development* program should be consolidated within Aboriginal and Torres Strait Islander Legal Service (ATSILS) consistent with arrangements that are due to commence in 2010-11.
59. Any further funding for the *Community Support Service* program after the existing three year service provider contracts cease should be subject to a comprehensive evaluation of the program and consideration of alternative delivery models that have the capacity to more directly meet the twin objectives of the program, i.e. community development and service access and support.
- 59.1. In the meantime, FaHCSIA should use related measures (such as the proposed role of the Overarching Bilateral Indigenous Plan sub-committee on Urban and Regional Strategy and the review of local staffing of ROCs and ICCs) to develop strategies to improve Indigenous access to the full range of available services.

GOVERNANCE AND LEADERSHIP

60. **There is a critical need to improve standards of governance and leadership in many Indigenous communities and organisations; equally, there is an urgent need to improve the quality, availability and accessibility of government services and programs directed to this purpose.**
61. Consistent with the approach proposed in Recommendation 42, a whole-of-government program should be established to provide training and advisory services to build governance and leadership capabilities. The program should:
 - 61.1. be managed by FaHCSIA in partnership with DEEWR and DoHA. There should also be involvement of the States and Territories who have a significant role in this area (noting that most have already established partnerships for corporate governance training with ORIC);
 - 61.2. subsume FaHCSIA's *Indigenous Leadership Program* and ORIC's *Capacity Development Program* (governance training component) with ongoing resourcing of those program elements reflecting overall program priorities;
 - 61.3. recognise that there would be four training and advisory service strands covering: personal leadership development; community governance; Indigenous organisations; and Indigenous businesses. The training and advice to be provided should cater for the diverse needs of the individuals, communities and organisations drawing on these resources;
 - 61.4. have regard for current availability of accredited and non-accredited courses and training providers including those auspiced by State and Territory governments;
 - 61.5. use training and advisory services provided by a panel of trainers and registered training providers, combined with in-house provision where warranted;

- 61.6. be resourced from the provision made for this purpose in current ORIC and FaHCSIA appropriations with supplementary contributions from DEEWR and DoHA and possible supplementation from resources freed up as a result of this Review. Agencies would continue to be responsible for resourcing any program-specific training; and
- 61.7. note that the Remote Service Delivery Local Implementation Plans should provide useful information on governance and leadership training needs in the priority communities.
- 62. Indigenous organisations should continue to be encouraged to register with ORIC and ORIC should be maintained as a separate regulatory authority within the FaHCSIA portfolio.
- 63. Advice should be sought from the National Congress of Australia's First Peoples, once established, on strategies for designing and delivering training and advisory services to build the governance and leadership capabilities of Indigenous individuals and organisations.
- 64. Active steps should be taken to work with relevant States and the Northern Territory to support stronger community governance in discrete remote communities, complementing the roll-out of normalised local government arrangements.

CULTURE, ARTS AND HERITAGE

- 65. **Culture, Arts and Heritage programs should be managed in a manner that promotes Indigenous identification with and active influence on those services that articulate and develop their sense of identity and culture.**
- 66. Advice should be sought from the National Congress of Australia's First Peoples, once established, on the appropriateness of the current *Indigenous Culture* program, including the arts and language programs:
 - 66.1. DEWHA should ensure that there is a robust performance framework, that performance is regularly evaluated and that funding priorities are clearly articulated; and
 - 66.2. Management of the *Business Skills for Visual Artists* program (being considered in the SIBS context) should focus on specialised training that avoids duplication of the services provided by Indigenous Business Australia (IBA) and DEEWR.
- 67. FaHCSIA's *Repatriation of Indigenous remains* program should be transferred to DEWHA and be consolidated with the *Return of Indigenous Cultural Property* program in DEWHA.
- 68. In respect of communications activities:
 - 68.1. note that in the context of funding for *National Indigenous Television*, a national review of the Indigenous Broadcasting and Media Sector has recently been proposed;
 - 68.2. note the Review's opinion that the *Indigenous Broadcasting Program* could be more tightly managed and that the terms of reference for the proposed review of the Indigenous Broadcasting and Media Sector should include the adequacy of the *Indigenous Broadcasting Programs'* performance framework

and have regard to the related matters raised by this Indigenous Expenditure Review;

- 68.3. government agencies should be encouraged to make better use of the Indigenous community broadcasting network on a full cost recovery basis;
 - 68.4. DEWHA should encourage Indigenous broadcasters and their peak bodies to research and promote their capabilities as platforms for government communication activities; and
 - 68.5. DEWHA, in consultation with DBCDE, should give urgent consideration to possible means of resourcing the substantial cost involved in the switch to digital TV broadcasting for some Indigenous broadcasters.
69. The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) should be subject to independent review under terms of reference to be decided jointly by DIISR and the AIATSIS Board. The review should be completed by September 2011.

NATIVE TITLE AND LAND RIGHTS

70. **The emphasis on encouraging negotiated settlement of Native Title claims should be progressed as a matter of priority, noting that resolution of Native Title claims is a critical precursor to successful community and economic development in many regional and remote locations.**
71. The current division of responsibilities for Native Title matters between AGD and FaHCSIA is appropriate, and should be maintained.
72. Note the risk to the timetable for meeting the COAG *Closing the Gap* targets arising from the inevitable challenges and delays in completing negotiations with Indigenous communities over land tenure and leasing issues.
73. Note the direction of recent decisions on the operating framework for the Indigenous Land Corporation smoothing out revenues from the Indigenous Land Fund.

OTHER PROGRAMS

74. The Minister responsible for Indigenous Affairs should report annually in the SIBS process on the proposed disposition of the Aboriginals Benefit Account discretionary payments and their alignment with the COAG *Closing the Gap* strategies.

CROSS-CUTTING ISSUES

WHOLE-OF-GOVERNMENT COORDINATION

75. **A renewed commitment should be made within the Commonwealth to a coordinated, whole-of-government approach to the delivery of programs and services to Indigenous people.** Agency leaders should play an active role in promoting the need for joined-up service delivery and the importance of active cooperation with other portfolios and agencies.
76. In view of the evident concerns about the vigour and depth with which some state and territory agencies are addressing their responsibilities:
- 76.1. The Commonwealth should press for a frank and transparent relationship so that there can be confidence in the partnership with the States and Territories.

- 76.2.** The governance mechanism for the *Overarching Bilateral Indigenous Plans* currently being developed between the Commonwealth and each State and Territory provides a streamlined vehicle for regular review and feedback on implementation of the COAG *Closing the Gap* strategies in each jurisdiction. While led by FaHCSIA and the State and Territory First Ministers' departments (or departments responsible for Indigenous affairs), representation should also include other relevant Commonwealth and State agencies, consistent with the wide scope of the *Closing the Gap* agenda.
- 76.3.** The Commonwealth should develop a risk management plan which identifies key milestones and options for action in the event that States and Territories fail to deliver on their key commitments.
- 77. A major role for the Commonwealth under the new COAG framework should be to hold States and Territories to account for their delivery of those mainstream services for which they are responsible (especially in critical areas such as schooling, health, housing, community services and related infrastructure).** Where mainstream programs and services fail to deliver their intended results the appropriate policy response should be to reform those mainstream services rather than to create a new array of ad hoc funding programs.
- 78. Future reviews of Implementation Plans and Bilateral Agreements under relevant COAG National Partnership Agreements should pay particular attention to the outcomes being achieved by Indigenous people, consistent with the *Closing the Gap* strategy. Where necessary, policy strategies and the structure of reward payments should be revised to support accelerated improvements in Indigenous outcomes.**
- 79. In the interests of leverage and effective coordination a package approach should be taken in negotiating a response from State and Territory governments to relevant recommendations arising from this Review.**
- 80.** FaHCSIA should implement a communications strategy to ensure that staff in Commonwealth and State and Territory agencies are kept better informed about how the *Closing the Gap* and *RSD strategies* are intended to work and their roles and responsibilities in that regard.
- 81.** Note that the current *Commonwealth Grants Commission Methodology Review* will have implications for how costs of providing Indigenous services, including in remote locations, are taken into account in the Commonwealth's revenue sharing with the States and Territories.
- 82.** The role of SIBS in facilitating coordinated consideration of all Indigenous budget related proposals should be affirmed:
- 82.1.** Finance should issue an Estimates Memorandum requiring that any new Indigenous policy proposal be able to demonstrate its consistency with the principles listed at [Attachment C](#) and additional questions be added to the template for Indigenous new policy proposals requiring:
- 82.1.1.** Confirmation that the proposal has been developed in accordance with the principles and that supporting documentation demonstrating consistency with the principles is available if required; and
- 82.1.2.** Where a new program is proposed, provision of an explanation as to why an existing mainstream or Indigenous program cannot be used or adapted for that purpose.

- 82.2.** Each budget should continue to have a theme that can be considered for priority attention, while allowing other necessary matters to come forward;
- 82.3.** Finance should play a more active role in facilitating the SIBS process, including in evaluating the appropriateness of new policy proposals against the proposed principles, facilitating with FaHCSIA the development of proposals against the nominated theme and in identifying possible savings and offsets.
- 83.** To enhance the usefulness and reliability of the *Australian Government Indigenous Expenditure* (AGIE) data base, which will contribute to the *Productivity Commission's Indigenous Expenditure Report* commissioned by COAG:
 - 83.1.** FaHCSIA and Finance should provide guidance on what constitutes Australian Government Indigenous Expenditure; and
 - 83.2.** Finance should provide guidance on the treatment in AGIE reporting of payments into and out of Special Accounts and on payments between Australian Government agencies.
- 84.** In respect of Commonwealth coordination arrangements:
 - 84.1.** note the significant roles played by FaHCSIA as lead agency, and the joint forums provided by the Secretaries Group on Indigenous Affairs (SGIA), Executive Consultative Forum on Indigenous Affairs (ECFIA) and Cross Agency Working Group on Indigenous Funding and Governance (CAWG);
 - 84.2.** note the potential for all agencies to use ECFIA as a 'problem solving' forum, not just FaHCSIA in its lead agency role; and
 - 84.3.** as part of a more coordinated and strategic approach, ECFIA should develop an annual work plan and set of work priorities for endorsement by SGIA.
- 85.** The Indigenous Communication Coordination Group, chaired by FaHCSIA, should examine the effectiveness of coordination arrangements for market research and development of communication strategies, particularly in remote locations.

PROGRAM MANAGEMENT ISSUES

- 86. Priority should be given to achieving greater consistency and coherence in approach to program management across Commonwealth agencies, particularly where there are important interactions between related Commonwealth programs.**
 - 86.1.** The current CAWG Terms of Reference should be amended to include a mandate for monitoring consistency and coherence in program management practice across participating agencies.
- 87.** Commonwealth agencies should work with relevant state agencies to seek to align funding and reporting requirements within each sector.
- 88.** Program managers should make available longer term funding arrangements (such as for three years with options for extension), where relevant service is acknowledged as an ongoing need and risk assessment of the service provider warrants this approach.
- 89.** A scoping study should be undertaken to assess the feasibility of a whole-of-government Indigenous grant management system, including the option for end-to-end e-solution for funders and service providers.
- 90.** Program management guidelines should encourage use of broad-banded/consolidated program frameworks to provide greater flexibility to enable local providers to adapt

available funding to the local service environment, making use of available baseline information, and to reflect community needs.

91. Program managers should be required to align their program guidelines with the *COAG Service Delivery Principles for programs and services for Indigenous Australians*.
92. Departments should facilitate coordination of local decision making on delivery of services by adopting a common level of delegation for interacting programs:
 - 92.1. AGD and DoHA currently have highly centralised delegation structures that should be devolved in selected areas, particularly to match structures already in place for FaHCSIA and DEEWR.

REFORMING SERVICE DELIVERY

93. **FaHCSIA should develop a strategy for transition to future arrangements once the NTER legislation ceases in 2012.** Possibilities include the transfer of NTER funding to the Northern Territory Government, continuing funding through the *RSD* strategy and/or transition to mainstream programs.
 - 93.1. The scope and timetable for the whole-of-government evaluation of the NTER should be reviewed to ensure that it properly informs the Government's consideration of options and allows a timely transition strategy to be put in place.
94. **In view of the critical importance of effective program implementation for the success of the Government's *Closing the Gap* strategies, Commonwealth agencies should review the structures that are required (including in their National and State offices) to facilitate delivery of whole-of-government initiatives at the regional and community level and improve access for Indigenous clients to government programs and services.**
95. All agencies with significant Indigenous responsibilities should give priority to having an effective presence at the regional and local level.
96. Indigenous Coordination Centres (ICCs) should be restructured to reflect changing operating requirements and the need to maintain their role as the whole-of-government interface with Indigenous communities and with service providers:
 - 96.1. to clarify responsibilities, ICCs should be regarded as FAHCSIA offices that can provide accommodation and services for other agencies on a user- pays basis;
 - 96.2. FaHCSIA should enter into bilateral Memorandums of Understanding with agencies wishing to base staff and/or use services and facilities offered by ICCs (or ROCs)
 - 96.3. staffing in offices covering remote locations should focus on liaison, responsibility and support for on the ground staff, intelligence-gathering and dissemination as well as service delivery;
 - 96.4. back-office functions such as contract administration, tendering and acquittals should be centralised in national or state offices; and
 - 96.5. a coordination protocol should be instituted, like that applying for the RSDs, requiring all agencies to notify ICCs when they will have staff visiting or operating in their areas.
97. Program managers should encourage Indigenous organisations, particularly those operating in remote locations, to consider contracting specialist organisations to

- provide their back office services so as to improve operating performance and enable them to focus on their primary functions.
- 98.** DEEWR, in consultation with DHS and FaHCSIA, should review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations:
- 98.1.** noting that FaHCSIA is currently internally reviewing the ongoing role and function of GBMs; and
- 98.2.** staffing arrangements at the local level should have regard to the potential role of GBMs, Indigenous Engagement Officers (IEOs) and other field staff.
- 99.** FaHCSIA, in consultation with other Commonwealth agencies and relevant State and Territory governments, should develop practical and achievable strategies to improve access for Indigenous Australians living in urban and regional locations to the full range of available mainstream and Indigenous specific services.
- 99.1.** One option that should be considered would be putting in place an urban and regional equivalent of a RSD Local Implementation Plan using the same methodology and consultation approach.
- 99.2.** Such a Plan, which would be funded from existing resources and programs, should be developed in a major regional centre such as Dubbo or Cairns or in a specific urban area with a relatively high proportion of Indigenous residents with the relevant ICC taking on the role of a local Operations Centre for the exercise.
- 100.** Finance should work with agencies to improve their understanding of mechanisms available under the existing financial framework for flexible funding to facilitate whole-of-government delivery of programs and services. Flexibility offers the opportunity to match services with local requirements and support the use of longer duration funding in appropriate circumstances, in ways which support continuity of program delivery and patient development of the capability of Indigenous organisations.
- 101.** Endorse the continued use of FaHCSIA's *Indigenous Communities Strategic Investment* (ICSI) program to provide useful flexibility to meet unanticipated program requirements:
- 101.1.** guidelines should be reviewed to provide greater clarity of approved purposes of funding to facilitate evaluation of outcomes. Desirably, projects will deliver outcomes in their own right as well as build partnerships with and within communities; and
- 101.2.** governance arrangements should be reviewed to ensure that ICSI and its associated Special Account can operate effectively as a cross-agency flexible funding pool.
- 102.** Note that the Prime Minister has announced the establishment of a flexible funding pool to facilitate implementation of RSD Local Implementation Plans:
- 102.1.** guidelines for relevant mainstream and Indigenous-specific programs should be kept under review to ensure that as soon as possible they have the flexibility to meet the ongoing requirements of service and program delivery in the RSD regions.

BUILDING CAPACITY

- 103. An APS service and program delivery professional stream should be established with appropriate career paths, professional training and incentives. An important component of the stream should be provision of such structures for staff working in Indigenous programs and services including with communities in remote Australia.**
- 104. The Australian Public Service Commission should give priority to a rolling program of reviews of agencies' Indigenous program and service delivery capabilities with early priority to be given to reviews of FaHCSIA, DoHA and DEEWR.**
- 105. Priority should be given to implementing further strategies to meet targets for Indigenous employment in the APS and Australian government more broadly:**
 - 105.1. departmental secretaries should agree a regular public reporting framework to maintain a strong focus on meeting the COAG target for Indigenous employment in the APS; and**
 - 105.2. note that implementation of an Indigenous employment strategy in the non-APS Australian Government sector is listed for consideration in this year's Budget.**

BUILDING THE EVIDENCE BASE

- 106. A reference should be provided to the Productivity Commission to review the adequacy of current arrangements for the evaluation of Indigenous programs, both Commonwealth and State, and to recommend changes designed to improve the quality and rigour of evaluation studies as a means of improving program performance.**
- 107. Guidance for negotiation of budget costings should recognise the importance of data management and evaluation for informed ongoing management and review of programs.**
- 108. Better use should be made of available resources for monitoring and evaluation by:**
 - 108.1. agencies taking a more strategic and cross-program approach to evaluation, concentrating in depth and with rigour on key policy measures and major programs where significant resources are invested; and**
 - 108.2. Finance making more use of thematic and in-depth reviews in key program areas.**

PRIORITIES FOR INVESTMENT

- 109. In the near term, and in response to this Review:**
 - 109.1. Departments should retain the departmental savings from consolidations and the proposed restructuring of the back offices of the ICCs and priority in redeployment of those savings should be given to improved resourcing of program monitoring and evaluation;**
 - 109.2. the modest administered and related departmental savings that can be realised by decisions in the 2010-11 Budget should be directed (up to a limit of \$5 million per annum in the out years) to the recommended creation of a governance and leadership program, noting that it is proposed that the**

- program also be funded by drawing together related resources and supplemented by funding from FaHCSIA, DoHA and DEEWR;
- 109.3.** any program savings that can be realised as a result of a packaged approach to negotiations with the States and Territories on measures arising from this Review should be directed to increased effort in community safety and associated legal aid, with that approach progressed as part of those negotiations. Any savings in Departmental administration should be directed to professional development of the APS;
- 109.4.** in the context of the prospective Health Reforms, any program savings derived from a restructuring the interaction between grant based funding for Indigenous health care and MBS billing arrangements should be redirected to other Indigenous health and related priorities;
- 109.5.** any program savings as a result of the proposed review of the interaction between JSA, IEP and CDEP should be directed to expanded mobility programs; and
- 109.6.** the significant funding pressures in relation to remote infrastructure (municipal and essential services and emergency staff housing and office accommodation), progress of negotiated settlement of native title and other matters should be addressed as substantial issues in their own right.
- 110.** Key considerations in setting priorities for budget expenditures over the medium term should be:
- 110.1.** programs should maximise the likelihood of success in meeting the objectives of the Government's key strategies – the *Closing the Gap* and the RSD strategies; and
- 110.2.** programs should take a medium to long term view and give priority to the needs of the young, including:
- 110.2.1.** during pregnancy and when very young (when family health and wellbeing will be particularly important);
- 110.2.2.** those in education and training (when community values and norms will also be important); and
- 110.2.3.** youth who have 'fallen through the cracks' and need a fresh start requiring effective targeting of program support).
- 110.3.** Outcomes in education and training should be used a prism through which to gauge progress in meeting the *Closing the Gap* objectives:
- 110.3.1.** noting that unless Indigenous children secure a good start in life, including a strong base of skills through the schooling system, their prospects for a healthy and productive life will remain bleak and progress in addressing Indigenous disadvantage overall will continue to be painfully slow; and
- 110.3.2.** noting that, while improved education and training outcomes are critical to closing the gaps in the medium to long term, those gains are unlikely to be achieved and will be less robust unless they are buttressed by parallel gains across all the gap indicators.
- 110.4.** engagement by skilled professionals, be they educators, health workers, community workers, etc. should be a priority in supporting effective delivery of Indigenous services, as should increasing Indigenous representation in those ranks; and

- 110.5.** community infrastructure (including housing for the community and those working with them) and the capability of community organisations should be of a standard that can support joint effort by communities and those delivering services in meeting agreed goals.
- 111. Broad budget allocations should be reviewed every few years to identify near term budget priorities that support a balanced approach to meeting the Government's goals. The proposed thematic and cross-program evaluations such as that envisaged for the NTER should inform those judgements.**
- 111.1.** At the present time, broad budgetary allocations to education and training and health seem to be appropriate to the task. There the focus should be more on effective delivery of services.
- 111.2.** There are funding pressures in relation to remote infrastructure, communications infrastructure, community safety and related legal services, settlement of native title claims, and capability of Indigenous organisations but otherwise the key priority is the more effective delivery of these programs.
- 111.3.** This Review has identified a number of areas where continued policy development is required but in many cases desired policy directions are agreed and the priority is to improve the delivery of those policies.
- 111.4.** Priority areas that have been identified for further work in the near term which could serve as themes for SIBS are governance and leadership, mobility, and youth at risk.
- 112. Priority should be given to programs that can be patient and supportive of enduring change:**
- 112.1.** new programs should allow for transition that manages potentially disruptive change; and
- 112.2.** the *Remote Services Delivery Strategy*, in particular, represents a bold experiment in testing new approaches to community engagement and coordinated service delivery. The performance of the strategy within the 29 communities in which it is currently operating should be evaluated before considering any extension to a wider range of communities.
- 113. Consistent with the NIRA's investment principles for remote locations, priority in making government investments should be given to communities where there are good prospects for sustainable economic development in the long term.**
- 114. Mobility assistance programs should be kept attuned to the needs of Indigenous communities to help mitigate locational disadvantage.**
- 115. While closing the gaps for remote Indigenous communities is a particularly complex and challenging goal, care should be taken in program design to meet the needs of all Indigenous people, noting that 75 per cent of the Indigenous population reside in regional and urban Australia.**

CHAPTER 1: INTRODUCTION

The Government has commissioned a *Strategic Review of Indigenous Expenditure across the Australian Government*, to be managed by the Department of Finance and Deregulation (Finance). The primary objective of the Review is to assess how well the current array of Commonwealth Indigenous programs, and associated whole-of-government coordination arrangements, serve to support the achievement of the Government's Indigenous policy objectives: in particular, the Council of Australian Governments (COAG) *Closing the Gap* targets for reducing Indigenous disadvantage.

The Review is not designed to produce savings to be returned to the Budget; rather, to identify changes to existing program structures and delivery arrangements which will make better use of available resources in supporting the achievement of the Government's Indigenous policy goals. A key objective is to identify how funding could be redirected from low-value to high-value programs by means such as program consolidation, the removal of program duplication, and the modification or termination of under-performing programs.

The Review is required to consider the full range of Commonwealth Indigenous-specific programs, including any discrete Indigenous elements within mainstream programs, and for each relevant program to assess:

- how well the objectives and design of the program are aligned with the COAG *Closing the Gap* targets and the Government's policy priorities;
- available evidence on the performance of the program, including its efficiency, effectiveness and contribution to achieving the policy goals represented by the targets; and
- the continuing need for the program, having regard to factors such as the availability and adequacy of relevant mainstream services and the funding provided to States and Territories under the relevant COAG National Agreements and National Partnership Agreements.

The Review is also required to consider a range of cross-program and cross-portfolio issues, including options for:

- better aligning program resources with Government priorities;
- improving the flexibility of service delivery;
- reducing program overlap and duplication;
- promoting better coordination and cooperation between agencies in program planning, design and delivery;
- strengthening administrative arrangements, accountability requirements and performance indicators; and
- improving efficiency, reducing administrative overheads and cutting red tape.

Detailed terms of reference for the Review are provided at [Attachment A](#).

Conduct of the Review

A review team was established in August 2009. The team comprised an independent leader and two other independent contractors, all with extensive previous APS experience, and six

current APS officers (three from Finance and three seconded from other agencies with substantial experience in the administration of Indigenous policies and programs)¹. Support services were provided by the Strategic Review Branch in Finance, which also managed the administrative processes relating to the review.

The Review has been conducted in close consultation with relevant Commonwealth agencies. Bilateral meetings were held with the three central agencies and with each of thirteen Commonwealth departments with direct Indigenous program responsibilities. In the case of the three line agencies with the most extensive Indigenous responsibilities – the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), the Department of Education, Employment and Workplace Relations (DEEWR), and the Department of Health and Ageing (DoHA) – the Review team held regular meetings with senior departmental officers throughout the course of the review. In addition, a series of cross-agency ‘thematic’ workshops was held to explore options for more flexible and better coordinated delivery of government programs and services for Indigenous Australians.²

The Review team met on four occasions with the Executive Coordination Forum on Indigenous Affairs (ECFIA), which served as the consultative group for the Review and provided useful input to the review process. Meetings were also held with the Coordinator-General for Remote Indigenous Services, senior officers of the Productivity Commission and the former Secretary of the Department of the Prime Minister and Cabinet.

For reasons of Budget confidentiality, the work of the review did not involve any processes of direct consultation with State or Territory Governments or with Indigenous Australians or their representatives. Consistent with the Indigenous engagement principle endorsed by COAG, the Review suggests that once the Government has determined its response to the recommendations of this report, the implementation of decisions should be progressed in appropriate consultation with the Indigenous community and other interested parties. In particular, early discussions should be held with the new *National Congress of Australia’s First Peoples*, once established and operational. The partnership with State and Territory Governments in the delivery of Indigenous policies and programs is discussed in Chapter 6.

Structure of the report

The structure of the report is as follows:

Chapter 2 outlines the policy context for the Review. It highlights the key Indigenous policy goals and targets agreed by COAG, as well as the whole-of-government policy strategies and funding instruments which will be used to support the achievement of these goals. It also draws attention to some key factors which need to be considered in the planning and implementation of Indigenous policies and programs.

¹ The team comprised Dr Neil Johnston AO as team leader, Peter Grant PSM as senior consultant, Patrick O’Neill as consultant, Robert Knapp from FaHCSIA, Joey Baker from DEEWR and Donna Burton from DoHA as well as Julie Elliott, Daniel Arcus and Elise Brigden from Finance. The team expresses its appreciation of the extensive cooperation from agencies in the conduct of the Review.

² Four such workshops were held, around the themes of Early Childhood Development; Youth Programs and Services; Economic Development; and Culture, Arts and Heritage.

Chapter 3 provides an overview of the Commonwealth Indigenous-specific funding programs which are the primary focus of the Review. It presents the results of a survey of Commonwealth agencies, conducted by the Review, which aimed to collect some structured information on a consistent basis across the full range of Indigenous funding programs.

Chapter 4 deals with the principles which should govern the design and operation of the Commonwealth's Indigenous-specific funding programs. It summarises the key principles agreed by COAG under the *National Indigenous Reform Agreement* and the *National Partnership Agreement on Remote Service Delivery*; outlines the principles the Review has used in forming its judgements on the appropriate treatment of current Indigenous funding programs; and proposes some principles which should apply to the consideration of future proposals for the establishment of new Indigenous-specific funding programs.

Chapter 5 examines options for the reshaping of current Indigenous program arrangements, including options for program termination, consolidation and broad-banding. Some significant changes to current program arrangements are proposed. The Review has organised its consideration of these issues around a series of broad functional groupings, closely based on the COAG *Building Blocks*.

Chapter 6 examines a range of issues related to whole-of-government coordination of Indigenous policy and program activity. These include the partnership between the Commonwealth, States and Territories under the COAG framework; Indigenous policy and program coordination within the Commonwealth itself; and the coordination of Budget decision-making on Indigenous affairs, including through the Single Indigenous Budget Submission (SIBS) process.

Chapter 7 argues that a more consistent and coherent approach is needed to Indigenous program management across different Commonwealth agencies, especially where there are important interactions between related Commonwealth programs. Specific issues addressed include program funding and reporting requirements; the term of funding contracts; greater flexibility and better alignment of program guidelines; and the need for greater devolution of decision-making, supported by appropriate levels of delegation.

Chapter 8 deals with arrangements for the delivery of programs and services to Indigenous people and highlights the importance of effective *implementation* of policy. It argues that all agencies with significant Indigenous responsibilities should have an effective presence at the regional and local level, and that current agency structures in this area should be reviewed. Other issues covered include the importance of matching services with local needs, including through flexible funding arrangements; arrangements for the implementation of the *Remote Service Delivery Strategy*; and proposed changes to the role of the Indigenous Coordination Centres (ICCs).

Chapter 9 argues that greater effort is needed to build governance, leadership and self-management capacities within Indigenous communities; at the same time, that more needs to be done within the Commonwealth itself to equip government agencies and their staff to discharge their Indigenous policy and service delivery responsibilities more effectively. Specific reforms are proposed to employment and training arrangements and career paths within the Australian Public Service.

Chapter 10 highlights some key deficiencies in the evidence base on Indigenous program performance and effectiveness, including the significant limitations of current evaluation arrangements. It proposes an increased commitment to evidence-based policy in the future, with a stronger emphasis on independent and rigorous program evaluation.

Chapter 11 deals with whole-of-government priorities for Commonwealth investment in Indigenous development, both near-term and medium-term, and options for the reordering of current expenditure priorities.

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CHAPTER 2: POLICY CONTEXT

This chapter outlines the policy context for the Review. It highlights the historical failure of past Commonwealth policies in Indigenous affairs, and the persistence of high levels of Indigenous disadvantage; the ambitious Indigenous reform agenda developed by the Council of Australian Governments (COAG) in recent years; and the range of whole-of-government strategies which will be used to support the achievement of COAG's Indigenous policy goals and targets. The chapter draws attention to some of the key factors which will need to be considered in planning and implementing Indigenous policies and programs for the future.

Historical overview

The history of Commonwealth policy for Indigenous Australians over the past 40 years is largely a story of good intentions, flawed policies, unrealistic assumptions, poor implementation, unintended consequences and dashed hopes. Strong policy commitments and large investments of government funding have too often produced outcomes which have been disappointing at best and appalling at worst. Individual success stories notwithstanding, the circumstances and prospects of many Indigenous Australians are little better in 2010, relative to other Australians, than those which faced their counterparts in 1970. Even in the few areas of policy where clear improvements have been made, those improvements have generally been modest and the outcomes achieved by Indigenous Australians remain far short of those achieved by non-Indigenous people.³

The 1967 referendum which gave Indigenous Australians the right to be counted in the national census marked a turning point, at least symbolically, in the formal recognition of Indigenous people as the first Australians. Five years after that referendum, the newly elected Whitlam Government made clear its intention to overturn the 'assimilationist' policies which had prevailed for most of the previous 40 years and to institute a new era of self-determination and self-management for Indigenous Australians.

In a determined attempt to eliminate any perception of racially motivated policy, Aboriginal 'training allowances' were abolished and welfare benefits extended, along with the provision of mining royalties and a large increase in grants-in-aid. Protectors and superintendents were removed from communities and new community councils were created, with funding to employ their own community advisers. Homeland communities (outstations) were supported as an 'Aboriginal response to the problems of contact and an attempt to evolve a lifestyle that preserves the essence of the Aboriginal way with access to chosen elements of white society'.⁴

To mark the importance of Indigenous policy in its overall priorities, the Whitlam Government created a new Department of Aboriginal Affairs (DAA) to replace the Office of Aboriginal Affairs which had been set up following the 1967 referendum, and enacted

³ For a concise overview of the current dimensions of Indigenous disadvantage in Australia, see Gary Banks (Chairman, Productivity Commission), *Are we overcoming Indigenous disadvantage?*, Canberra, 7 July 2009.

⁴ HC Coombs, *The Future of the homeland movement*, Centre for Resource and Environmental Studies Working Paper No. 15, Australian National University, Canberra, 1979.

legislation in 1974 to establish both an Aboriginal Land Fund Commission and an Aboriginal Loans Commission. These measures and others were accompanied by a strong repudiation of the policies of the previous era as paternalistic and discriminatory.⁵

Despite changes of government in 1975 and 1983, the general policy framework put in place by the Whitlam Government remained substantially in place for most of the next twenty years. Consistent with the emphasis on non-discriminatory policies, self-determination and human rights, the *Racial Discrimination Act* was passed in 1975, the *Aboriginal Land Rights (Northern Territory) Act* in 1976, and the *Human Rights and Equal Opportunity Commission Act* in 1986. In the bureaucratic arena the Department of Aboriginal Affairs was supplemented by the Aboriginal Development Commission (ADC) in 1980, and then replaced by the Aboriginal and Torres Strait Islander Commission (ATSIC) ten years later, but the general thrust of policy remained substantially intact throughout.

By the time of the key Mabo decision in 1992, and the subsequent passage of the *Native Title Act* in 1994, it was clear that the policy framework which had operated since the early 1970s was not producing the results for which both governments and Indigenous people had hoped. Overall, there was no strong evidence that the circumstances and prospects of Indigenous people had improved significantly relative to the rest of the population; on the contrary, in many remote communities, there were clear signs that outcomes had deteriorated in a number of key areas such as schooling and community safety, such that the opportunities and choices available to community members were even more limited than before.

Despite substantial government spending throughout the period, including major investments in community infrastructure, unemployment rates among Indigenous Australians in the mid-1990s remained at more than three times the national level, and far higher in many remote communities. High rates of unemployment (especially long-term unemployment) led to high levels of welfare dependency, a loss of labour market competitiveness and an erosion of work incentives. In many communities, by 1995, patterns of welfare dependency had become deeply entrenched, such that younger people came to see reliance on government benefits as a normal way of life.

A key theme running through this entire period is the challenging reality that good intentions in Indigenous affairs do not translate easily into good policy, and that the risk of unintended consequences in this domain is often extremely high. A significant warning to this effect had been sounded as early as the 1960s, with the *Northern Territory Cattle Industry Case* of 1965.⁶ In March 1966 the Conciliation and Arbitration Commission handed down a decision in this case which required that, with some defined exceptions, Aboriginal employees in the Northern Territory cattle industry should be paid on the same basis as their non-Aboriginal counterparts. Whatever the in-principle merits of this decision, the practical effects were extremely damaging for Aboriginal people. Following implementation of the Commission's decision in December 1968, many pastoralists refused to employ

⁵ Northern Territory Government, *Report #1, May to November 2009*, report prepared by Coordinator-General for Remote Services, Northern Territory Government, Darwin, 2009.

⁶ Australia, Conciliation and Arbitration Commission, *Transcript of Proceedings in the matter of The Cattle Station Industry (Northern Territory) Award, 1951*, No. 553 of 1950, Canberra, 1965.

Aboriginal workers under the changed conditions and large numbers of these workers not only lost their jobs (in some cases through forcible removal from cattle stations) but also the right to stay on their own land.⁷

Similar examples of unintended consequences abounded in the years that followed:

- as a result of the Commonwealth's (and subsequently ATSIC's) support for the 'homeland movement' in the 1970s and beyond, significant numbers of Indigenous people moved to locations where there was no strong economic base, few regular employment opportunities and limited opportunities (if any) for their children to attend school;
- in its pursuit of policies based on self-determination principles, the Commonwealth progressively reduced its presence and disengaged from communities in remote Australia, ignoring the obvious risk that these communities might lack the skills, structures and support necessary to manage their own affairs. This trend was reinforced, from the late 1980s, by the outsourcing of major components of service delivery to contracted providers who often lacked any detailed knowledge of, or attachment to, the communities concerned;
- the creation of separate programmatic and bureaucratic structures for Indigenous affairs carried the obvious risk – all too often realised – that other areas of government would view Indigenous matters as falling outside their own sphere of concern, and would thereby disregard or downplay their responsibilities to Indigenous Australians;
- the provision of open-ended welfare support – however necessary and justifiable as a means of basic income support and services – too often served to encourage passivity and to blunt initiative: in the strong language of Noel Pearson, the welfare system operated as a 'poison'⁸ for many Indigenous people and communities; and
- too often the response of successive governments to reports of continuing high levels of Indigenous disadvantage has been to create new small-scale funding programs in areas of demonstrable need or dysfunction. Despite the laudable intentions underlying these programs, their effectiveness has been another matter altogether: not only has scale been an issue, program objectives have often been blurred, program logic flawed, and many programs have treated only the outward symptoms of the problems they were intended to address – and then only in a superficial way. Moreover, as new programs have progressively been implemented, the practical result at the community level has often been an increase in complexity and administrative red tape rather than any real improvement in outcomes.

⁷ The Commission's decision endorsed the removal of Indigenous workers from stations to settlements. It reasoned that although 'the most advanced' Indigenous workers would 'assimilate on the station properties', those who were 'having the greatest difficulty in understanding the concept of work and in fitting into our economic community' would become 'disemployed'. These Indigenous workers would then 'move to settlements or missions' which would, the Commission believed, assist rather than hinder 'assimilation and integration' because it would rid them of their 'tribal' habits (*Decision*, p. 668). This was in 1966.

⁸ Pearson, N. 1999. 'Positive and negative welfare and Australia's Indigenous communities', *Family Matters*, 54: 30–5.

CABINET IN CONFIDENCE

In response to concerns such as these, some significant adjustments to Indigenous policy settings started to be made from the mid-1990s onwards. These adjustments took many forms and generated outcomes of varying quality, but included such measures as:

- the transfer of health program responsibilities from ATSIC to the Health portfolio (in 1995), in the interests of better coordination with mainstream health policy and services;
- the later decision (in 2004) to abolish ATSIC altogether, and to vest responsibility for Indigenous affairs within a mainstream Commonwealth portfolio;
- the establishment of an Office of Indigenous Policy Coordination and a Secretaries Group on Indigenous Affairs (SGIA), supported by a Task Force of senior executives with responsibility for Indigenous policies and service delivery and, more recently, by an Executive Coordination Forum on Indigenous Affairs (ECFIA);
- the creation (from mid-2004) of a whole-of-government network of Indigenous Coordination Centres (ICCs) across Australia to perform coordination, planning and service delivery functions in the Indigenous domain;
- the institution of 'welfare to work' policies and 'shared responsibility agreements', both emphasising the concept of mutual responsibility;
- the introduction in 2003 of a series of COAG trial projects as experiments in coordinated service delivery to Indigenous communities;
- increased attention to administrative coordination within the Commonwealth, including guidance by the SGIA and the establishment in 2006 of the Cross Agency Working Group on Indigenous Funding and Governance Reform (CAWG);
- the negotiation of 'regional partnership agreements' to support a more region-wide approach to program delivery in remote areas;
- the provision of dedicated Commonwealth funding for 'communities in crisis'; and
- the establishment in 2007 of the *Northern Territory Emergency Response* (NTER), following release of the findings of the *Little Children are Sacred* report.

Following the historic *Apology to Australia's Indigenous Peoples* delivered by the Prime Minister in February 2008, reform has continued and accelerated under the present Government, in particular through key measures such as:

- the development under COAG auspices of the National Indigenous Reform agenda (discussed below), based on a new partnership between the Commonwealth, States and Territories to address the multiple dimensions of Indigenous disadvantage;
- the development within the COAG framework of the ambitious *Closing the Gap* strategy, including the establishment of six key policy targets for Closing the Gap between Indigenous and non-Indigenous Australians;
- the establishment of some major National Partnership Agreements intended to drive reforms in service delivery and improvements in the outcomes achieved by Indigenous Australians;
- the commitments made to ensuring that mainstream National Agreements and National Partnership Agreements pay particular attention to improving outcomes for highly disadvantaged people, including Indigenous Australians;

- the commitment made under the new *Remote Service Delivery (RSD) Strategy* to re-engage with, and restore an active government presence in, a range of Indigenous communities in remote Australia;
- ongoing reforms to policy strategies and program and service delivery arrangements, such as the institution of the new *Strategic Indigenous Housing and Infrastructure Program (SIHIP)* in the Northern Territory and the significant reforms being implemented to the *Community Development Employment Projects (CDEP)* program; and
- the decision to support the establishment of the *National Congress of Australia's First Peoples* to represent the views and interests of Indigenous Australians across the country.

The new policy framework established by these decisions is impressive in its design and attractive in its coherence, but the history of the past 40 years signals clearly that a major implementation challenge still lies ahead. Great care will need to be taken to heed the lessons, and avoid the mistakes, of the past. Skilled execution of policy and effective management of risk will be vital.

The COAG reform agenda

The *Intergovernmental Agreement (IGA) on Federal Financial Relations* agreed by COAG in November 2008 established a new framework for the Commonwealth's financial relations with the States and Territories, and represented the most significant reform of Australia's federal partnership in many decades. Based on a commitment to cooperative working arrangements on the part of all Australian governments, the IGA is aimed principally at improving the quality, effectiveness and efficiency of government services, in particular by reducing Commonwealth prescriptions on service delivery by the States and Territories and providing the States and Territories with increased flexibility in the way that they deliver their services.⁹

A key feature of the IGA is its clearer specification of roles and responsibilities of each level of government and a sharper focus on accountability for outcomes and improvements in service delivery. This was accompanied by a major rationalisation of the number of payments to the States and Territories for Specific Purpose Payments (SPPs), which reduced the number of such payments from over 90 to just five: a *National Healthcare SPP*; a *National Schools SPP*; a *National Skills and Workforce Development SPP*; a *National Disability Services SPP*; and a *National Affordable Housing SPP*.

For each of these SPPs there is a corresponding National Agreement that contains the objectives, outcomes, outputs and performance indicators agreed by COAG, and defines the roles and responsibilities that will guide the Commonwealth and States and Territories in the delivery of services across the relevant sectors. The performance of all governments in achieving the outcomes and performance benchmarks specified in these Agreements is to be monitored and assessed by the independent COAG Reform Council, and reported publicly on an annual basis.

⁹ Council of Australian Governments, *Meeting Outcomes*, 29 November 2008.

In addition to the series of National Agreements, COAG has also agreed to a new form of Commonwealth payment to the States and Territories – National Partnership (NP) payments – designed to fund specific projects, facilitate nationally significant reforms and/or reward States and Territories for their performance in delivering upon agreed reform priorities. Some 40 National Partnership Agreements have been agreed to date, and more are planned for COAG’s consideration over the next 12 months.

The Indigenous reform agenda

One of COAG’s first decisions after the election of the new federal government in November 2007 was to commit to a new partnership between all levels of government to work with Indigenous communities in achieving the goal of *Closing the Gap* in Indigenous disadvantage.¹⁰ Noting that the pathway to this goal was ‘inextricably linked to economic development and improved education outcomes’, COAG subsequently endorsed six key *Closing the Gap* targets:

- to close the life expectancy gap between Indigenous and non-Indigenous Australians within a generation;
- to halve the gap in mortality rates for Indigenous children under five within a decade;
- to ensure that all Indigenous four years olds in remote communities have access to early childhood education within five years;
- to halve the gap for Indigenous students in reading, writing and numeracy within a decade;
- to halve the gap for Indigenous students in Year 12 attainment or equivalent attainment rates by 2020; and
- to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

In acknowledging the need for a ‘long-term, generational commitment’ to achieve these policy goals, COAG endorsed a series of ‘strategic platforms’ or ‘building blocks’ for action across seven key areas of government activity: Early Childhood; Schooling; Health; Economic Participation; Healthy Homes; Safe Communities; and Governance and Leadership. COAG recognised that action in any one area would not be effective in isolation: rather, a coordinated and multi-faceted approach was needed, with connections drawn between different functional areas, ‘through the integration of policy ideas and an agreed approach to their implementation’.¹¹

As an addition to its set of landmark National Agreements, COAG agreed at its meeting of November 2008 to the terms of a *National Indigenous Reform Agreement* (NIRA) as an ‘overarching summary of action being taken against the *Closing the Gap* targets’.¹² This comprehensive Agreement identifies the objectives, outcomes, outputs, performance

¹⁰ Council of Australian Governments, *Meeting Outcomes*, 20 December 2007.

¹¹ COAG, *Meeting Outcomes*, 29 November 2008. In a helpful elaboration of the ‘building blocks’ concept, the Productivity Commission has developed a series of ‘headline indicators’ and ‘strategic areas for action’ in relation to each of COAG’s *Closing the Gap* targets (see Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2009 – Overview*, Productivity Commission, 2009, pp. 10-11). The ‘strategic areas for action’ identify a range of concrete areas in which progress will need to be made in the short term if the higher-level policy target is to be achieved.

¹² Council of Australian Governments, *Meeting Outcomes*, 29 November 2008.

measures and benchmarks to which all governments have committed through their various National Agreements and National Partnership Agreements in order to close the gap in Indigenous disadvantage. COAG agreed that the NIRA should be a 'living document, refined over time based on the effectiveness of reforms in closing the gap on Indigenous disadvantage'.

In a series of important Schedules to the NIRA, COAG articulated a number of key strategies and principles to support the achievement of its *Closing the Gap* targets. These included:

- Schedule A: *National Integrated Strategy for Closing the Gap in Indigenous Disadvantage*;
- Schedule B: *National Urban and Regional Service Delivery Strategy for Indigenous Australians* (further discussed in Chapter 8);
- Schedule D: *Service delivery principles for programs and services for Indigenous Australians* (further discussed in Chapters 4 and 8); and
- Schedule E: *National Investment Principles in Remote Locations* (further discussed in Chapters 4 and 8).

COAG has emphasised that a key feature of its new inter-governmental architecture should be a clear focus on the achievement of outcomes – including Indigenous outcomes – through the new series of National Agreements and mainstream National Partnership Agreements.¹³ Noting that these 'mainstream' agreements are designed to improve outcomes for a wide range of Australians, including Indigenous Australians, it has made it clear that these should be key instruments of change in supporting the achievement of its *Closing the Gap* targets.¹⁴ Significantly also, COAG has commented that:

*Sustained improvement in outcomes for Indigenous people can only be achieved by systemic change. Through these agreements, all governments will be held publicly accountable for their performance in improving outcomes in these key areas.*¹⁵

To support the operation of these mainstream agreements, and to help accelerate the achievement of its Indigenous policy goals, COAG has also put in place a series of Indigenous-specific National Partnership Agreements in key areas of Indigenous policy priority. These include:

- a *National Partnership Agreement on Indigenous Early Childhood Development*;
- a *National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes*;
- a *National Partnership Agreement on Indigenous Economic Participation*;
- a *National Partnership Agreement on Remote Service Delivery*;
- a *National Partnership Agreement on Remote Indigenous Housing*;
- a *National Partnership Agreement on Remote Indigenous Public Internet Access*; and
- a *National Partnership Agreement on Closing the Gap in the Northern Territory* (between the Commonwealth and the Northern Territory Government only).

¹³ Council of Australian Governments, *National Indigenous Reform Agreement*, paragraph 12, 2008.

¹⁴ *ibid.*

¹⁵ Council of Australian Governments, *Meeting Outcomes*, 29 November 2008.

Many of these Agreements are further discussed in later chapters of this report.

Finally, COAG has agreed to some important changes in data collection and reporting arrangements in the Indigenous domain, designed to improve the quality and transparency of information on progress being made towards the achievement of its *Closing the Gap* targets. Key decisions in this area include commitments to:

- a new and richer framework of performance measures and indicators;
- the disaggregation of many indicators by Indigenous and non-Indigenous status;
- the establishment of a new *National Framework for Reporting Expenditure on Services to Indigenous Australians* (further discussed in Chapter 3); and
- the establishment of a *Closing the Gap Clearinghouse* to serve as a national repository of research and evaluation evidence on a broad range of topics relating to the improvement of Indigenous outcomes (further discussed in Chapter 10).

An important consequence of the new inter-governmental framework put in place by COAG is that, in many areas, the Commonwealth's direct program leverage over Indigenous policy outcomes in areas of State responsibility – often quite modest even under former arrangements – is likely to reduce even further. Instead, the Commonwealth will need to exercise its future influence over outcomes in these areas within the framework of the new national partnership with the States and Territories, and in particular by:

- ensuring that desired outcomes and national policy targets are appropriately framed and rigorously monitored;
- ensuring that the new accountability and reporting arrangements put in place are strong and effective;
- using the new accountability and reporting arrangements to understand what is happening, and to identify what is working, in particular jurisdictions, systems and locations;
- ensuring that Indigenous matters attract a high priority in the implementation plans developed by States and Territories under the new National Partnership Agreements;
- creating effective incentives for change, including rewards for good performance, in Indigenous policy and service delivery; and
- over time, evaluating the performance of the *Closing the Gap* strategy and its supporting policy framework, and implementing any changes or adjustments which may be required.

Some key considerations

As background to the issues discussed in following chapters, it is useful to outline at this point some of the key factors which will need to be borne in mind in implementing the ambitious agenda of reform which COAG has instituted.

Diversity in circumstances and needs

As Noel Pearson highlighted in his recent *Quarterly* essay¹⁶, the social circumstances and 'class structure' of Indigenous Australians are in reality quite diverse, and it is a mistake to consider Indigenous Australians as a homogeneous group in any sense. Similarly, while

¹⁶ N Pearson, 'Radical Hope: Education and Equality in Australia', *Quarterly Essay*, Issue 35, 2009.

Indigenous people share a common history of colonisation and dispossession, the history of individual communities is distinctive and quite disparate: there is wide diversity in linguistic and cultural backgrounds, family relationships and kinship ties, and demographic profiles.¹⁷

Government dealings with Indigenous Australians will need to be sensitive to such differences. On cultural grounds alone, as much as for reasons of geography and scale, arrangements for service delivery and approaches to engagement may need to vary widely from community to community and from location to location. Thus the approach needed in Wadeye may differ markedly from that taken in Galiwin'ku – as much as or more so than the different approaches appropriate in Sydney and Dubbo. There are some obvious implications here for the preparation and training of APS staff who will be working in these various communities. Ensuring that services are well connected to Indigenous people in more urban areas, where they are more dispersed, is also very challenging.

A youthful age structure

The age-profile of the Indigenous population is markedly younger than that of the Australian population as a whole. At the time of the 2006 population census, the median age of the Indigenous population was just 21 years – some 16 years less than that of the non-Indigenous population (37 years):

- children aged 14 years or younger comprised 38 per cent of the total Indigenous population – double the proportion (19 per cent) in the non-Indigenous population;
- young adults in the 15-24 age-range comprised 19 per cent of the Indigenous population, compared with 14 per cent of the non-Indigenous population; and
- people aged 65 years and over represented just 3 per cent of the Indigenous population, compared with 13 per cent of the non-Indigenous population.

These sharply different age profiles not only reflect the significantly higher rates of fertility in the Indigenous population, but also that deaths occur on average at a markedly younger age.¹⁸

These striking demographic statistics carry important implications for policy: in particular, they suggest that young Indigenous people should be a prime focus of government policy attention over the next 10 years. If real and lasting changes can be made in the outcomes achieved by young people in their formative years the potential flow-on benefits are very substantial indeed: a stronger base of skills, for example, could markedly increase the opportunities and choices available to the young, thereby boosting the employment prospects and life-chances of a sizeable proportion of the total Indigenous population. Conversely, unless Indigenous children can secure a good start in life, including a strong base of skills through the education system, their prospects for a healthy and productive life will remain bleak and progress in addressing Indigenous disadvantage overall will continue to be painfully slow.

¹⁷ Dillon & ND Westbury, *Beyond Humbug: Transforming government engagement with Indigenous Australia*, Seaview Press, South Australia, 2007, p. 62.

¹⁸ Australian Bureau of Statistics, *Population Characteristics, Aboriginal and Torres Strait Islander Australians, 2006*, Catalogue No. 4713.0, ABS, Canberra, 2008.

For these reasons, improvements in the outcomes achieved by young Indigenous people can serve as a prism that should help to guide policy priorities and assist in gauging the overall success of the *Closing the Gap* strategy.

High levels of mobility

Reflecting in part its youthful age-structure, the Indigenous population is a highly mobile population. Over any inter-censal period, just over half of all Indigenous people change their usual place of residence, and this proportion has increased significantly over recent years.¹⁹ High short-term mobility is also a feature of the Indigenous population, with significant short-term flows from remote communities into larger population and service centres, into and out of town camps (notably in centres such as Alice Springs), and significant seasonal flows between remote townships and outstations.²⁰

While mobility rates overall are high, there are some significant differences in mobility patterns by age group and location. Remote Indigenous Australians are less migratory than other Indigenous people, regardless of age; net migration into the cities is marked by high rates of mobility on the part of 15-24 year-olds, highlighting an economic imperative in terms of education, training and job search; and migration outflows from the cities at older ages reflect the difficulty of securing family accommodation in high-cost rental markets, or of accessing public housing.²¹

Reflecting these high levels of mobility, there has been a marked long-term shift in the distribution of the Indigenous population across urban, regional and remote localities: most strikingly, the proportion of the Indigenous population resident in urban and regional areas has risen from just 44 per cent in 1971 to around 75 per cent currently.²² Despite this substantial movement to the cities and regional centres, Indigenous Australians continue to be located in neighbourhoods of low socio-economic status, indicating a lack of social mobility and a pattern of spatial disadvantage.²³

At least three significant policy implications flow from these statistics. One is the importance of urban and regional locations as a focus for government policy attention: as COAG has noted, with some 75 per cent of Indigenous Australians now resident in these major population centres, it will not be possible to achieve the *Closing the Gap* targets unless significant gains can be made in these localities. Second is the challenge presented to program and service delivery by high levels of short-term and seasonal mobility, especially in more remote locations. Third is the need for a more comprehensive policy framework to guide decisions on Commonwealth support for voluntary mobility and relocation assistance: as discussed in later chapters, current program arrangements in this area are unduly piecemeal, and lack any clear or coherent strategy.

¹⁹ Centre for Aboriginal Economic Policy Research (CAEPR), *Research Summary, Reference No. 132, Summarising Taylor (2006), Population and Diversity: Implications of Emerging Indigenous Demographic Trends*, Australian National University, Canberra, 2007.

²⁰ *ibid.*

²¹ *ibid.*

²² Some part of this change may be due to changing patterns of self-identification within the Indigenous population.

²³ CAEPR, *op. cit.*, p.2.

Special needs of remote communities

Notwithstanding their high levels of net migration to larger population centres, Indigenous Australians continue to be much more likely to live in remote parts of Australia than their non-Indigenous counterparts. Some 120,000 Indigenous people live in areas classified as ‘remote’ or ‘very remote’, comprising some 45 per cent of all residents of these regions. Around 60 per cent of these people live in communities of less than 500 people, and about one-quarter in communities of less than 200.²⁴

In total, there are some 1,200 discrete communities in remote Australia, many of which are quite isolated from mainstream economic and social infrastructure: for example, some 80,000 Indigenous people across more than 1,000 communities have no ready access to banking or shopping services.²⁵ In many of these communities, also, the multiple dimensions of Indigenous disadvantage are very starkly displayed, as COAG acknowledged in establishing its *Remote Service Delivery Strategy*.

As is discussed in Chapter 8, important policy issues arise as to how governments should prioritise their investments in remote Australia, balancing considerations of need, scale, access, cost and long-term viability. Consistent with the principles agreed by COAG, the Review considers that priority should be given to larger and more economically sustainable communities where secure land tenure exists, allowing for outreach services and other forms of access for the residents of smaller surrounding communities. At the same time, there should be support for voluntary mobility by individuals and families to areas where better education and job opportunities exist, or where they can access higher standards of services.

The importance of mainstream services

As COAG has strongly emphasised, achievement of the *Closing the Gap* targets and other Indigenous policy goals will depend critically on improvements in the quality and take-up of the mainstream services delivered to Indigenous Australians. This applies particularly to communities in urban and regional settings, where some 75 per cent of Indigenous Australians now reside. While Indigenous-specific ‘supplementary programs’ can play a useful role in some circumstances, they should not be relied upon to remedy serious deficiencies in mainstream services.

A major role for the Commonwealth under the new COAG framework, therefore, should be to ensure that mainstream service providers are held properly and fully to account, using the new array of instruments at its disposal (such as the wide range of National Partnership Agreements). Where mainstream programs and services fail to deliver their intended results the appropriate policy response should be to reform those mainstream services rather than to invent a new array of funding programs – which may merely serve to take the pressure off poorly performing mainstream services to lift their game.

As Dillon and Westbury have noted, ‘mainstreaming’ is often opposed by Indigenous interests because of a concern that adequate account will not be given to cultural concerns

²⁴ *ibid.*

²⁵ *ibid.*

in the delivery of programs or services, or alternatively because they fear that the ultimate objective is to transform Indigenous citizens into ‘mainstream’ citizens.²⁶ These concerns are entirely understandable given the historical failure of many mainstream programs to serve the needs of Indigenous people, but it is wrong to assume that mainstream programs are always and necessarily destined to fail. As Dillon and Westbury comment:

*Mainstream programs may have universal application, but can be designed with the flexibility to take into account Indigenous cultural perspectives. Importantly, staff implementing these programs should be trained to ensure that interactions with Indigenous clients are respectful of cultural differences and take account of Indigenous concerns within the terms of the specific programs being delivered.*²⁷

Coordination of government effort

Notwithstanding efforts in recent years, whole-of-government coordination remains a major challenge. Program management and service delivery too often remains fragmented rather than coordinated, at times with weak linkages even within agencies, let alone across them. The poor coordination of programs runs contrary to the need for flexibility of service delivery, most obviously in remote locations, and creates a surfeit of unnecessary red tape. Communication between agencies is too often poor, even where their responsibilities and interests are closely related. Significant efficiencies could be gained by pooling expertise and coordinating efforts in areas where individual agencies are currently ‘doing their own thing’ (as in the planning and provision of staff housing in remote parts of the country, governance and leadership programs, and contracting).

Partnership with Indigenous Australians

In his *Apology to Australia’s Indigenous Peoples* on 13 February 2008, the Prime Minister acknowledged that all governments have a special responsibility to engage with Indigenous communities in order to rebuild the trust lost through ‘*the laws and policies of successive Parliaments and governments that have inflicted profound grief, suffering and loss.*’ In a similar vein, COAG has committed itself to working in close partnership with Aboriginal and Torres Strait islander people to achieve the *Closing the Gap* reforms.²⁸

A strong partnership between governments and Indigenous Australians will be essential on a number of grounds:

- most fundamentally, to restore a relationship of credibility and mutual trust;
- to obtain the views of Indigenous people on matters that are important to them, and ensure that those views are reflected in the development of policy options;
- to inform those affected by policy decisions of the rationale for those decisions and their intended benefits;
- to enlist the engagement and support of Indigenous people and communities in the implementation of significant government decisions affecting their interests; and
- to recognise that, without motivation and commitment on the part of Indigenous people themselves, the reform efforts of governments acting alone are likely to

²⁶ MC Dillon & ND Westbury, op. cit., p. 198.

²⁷ *ibid.*

²⁸ Council of Australian Governments, *National Indigenous Reform Agreement*, Schedule A, page A-22, 2008.

amount to little: even the best delivery of services is unlikely to overcome entrenched disadvantage unless government efforts are supported by the agency and will of Indigenous people themselves.²⁹

As the Prime Minister said on the second anniversary of the Apology this year:

*Indigenous Australians must take greater responsibility for change – change begins in the lives of individuals and families, spreading across local communities.*³⁰

The need for better evidence

A major constraint on the work of the Review has been the lack of robust evidence on the performance and effectiveness of many Indigenous programs. Program evaluation activity in this area has been patchy at best, and many of the evaluations which have been conducted have lacked a suitable measure of rigour and independence. More robust evaluation arrangements are needed for the future. Evaluation efforts should be concentrated on those key policy measures (such as the Northern Territory Emergency Response and Remote Service Delivery strategies) and major programs in which significant resources are invested, and which have the potential to contribute materially to the achievement of the *Closing the Gap* targets. Data improvements are also needed, both for evaluation and reporting purposes: the lack of robust baseline data, for example, has been a key weakness in many evaluation studies.

These matters are further discussed in Chapter 10.

The need for a long-term perspective

As highlighted by the historical overview at the start of this chapter, Indigenous disadvantage has proven a deep-seated, complex and intractable problem for governments and the nation as a whole. Dillon and Westbury pose the obvious question:

*Australia has an enviable international reputation for policy innovation, practical and effective problem solving, strong and comparatively transparent governance structures and effective economic and political institutions. Why is it that we appear unable to resolve what has been widely acknowledged for over forty years as a blight on our national reputation?*³¹

While the answer to this question is complex, one thing at least is clear: any solution to this deeply entrenched problem will require policies and programs which target the underlying structural problems in this area and are patient and supportive of enduring change. Short-term program ‘fixes’ and ‘imposed’ solutions will fail: instead, governments will need to work in close engagement and active partnership with Indigenous Australians to implement a sustainable and long-term agenda of reform. Changes will be needed in the attitudes and

²⁹ In its *National Principles for Investments in Remote Locations* COAG has noted the need to ‘promote personal responsibility, and engagement and behaviours consistent with positive social norms’.

³⁰ Rudd, K, Prime Minister, www.pm.gov.au/node/6480, 11 February 2010

³¹ *ibid.*

practices of governments and their agencies as much as in the expectations and behaviours of Indigenous people themselves.

In brief, a long-term investment approach is needed, accompanied by a sustained process of continuous engagement.

The challenge of delivery

A recurring theme in the course of the Review, as well as in the comments of informed commentators on Indigenous affairs, has been that good intentions, sound policy and robust program design are not sufficient on their own: equally important is the capacity to deliver on policy intentions in a practical and effective way. There are numerous examples of well-intentioned Indigenous policies and programs which have failed to produce their intended results because of serious flaws in implementation and delivery; in some cases these measures have not only failed in what they have tried to do but, by creating a series of perverse effects and unintended consequences, have actually taken things backwards.³²

The following selection of recent quotes serves to highlight the ongoing 'challenge of delivery' in Indigenous affairs:

There is ... a systemic problem that underpins the cycle of external and/or failed interventions in remote Australia's Indigenous communities. New initiatives are constantly announced and implemented but do not lead to the intended result because the structure of government is deficient.Within the present structure the best of intentions will simply not be realised.

The problem is the gap between performance and intent. The gap is between intent and capacity to deliver.We could go on saying, 'Oh, well, this hasn't worked so we need a new policy' -- that is the approach -- when the real problem is not the need for new policy, it is the implementation of policy in a way which works.....

(The Hon. Fred Chaney AO, in evidence to the Senate Select Committee on Regional and Remote Indigenous Communities, 9 October 2009)

There is a huge implementation challenge (with the NTER). Based on the performance of the federal and provincial bureaucracies up to now, I am not confident they are up to it. The Council of Australian Governments' trials in the past five years have not delivered meaningful results.

(Noel Pearson, *The Intervention*, 2007, as cited in *Up from the Mission*, 2009)

While good governance has been lacking in many Indigenous communities, it has also been lacking within government itself. This is partly a legacy of divided jurisdictional responsibilities, and partly due to 'silo-based' approaches to service delivery and policy development within individual administrations. The result has

³² In recent evidence to the Senate Select Committee on Regional and Remote Indigenous Communities the Hon. Fred Chaney AO, Chair of Desert Knowledge Australia, suggested that government and its agencies should operate in this area on a 'Do no harm' principle. 'Do not do something if it is going to make things worse.' (*Senate Hansard*, 9 October 2009, p. 65)

been a staggering lack of coordination in service delivery, inadequate policy development and program evaluation, and a surfeit of red tape — all of which have contributed to poor outcomes and a lack of capacity to take corrective action when things go wrong.

(Gary Banks AO, Chairman, Productivity Commission, Are we overcoming Indigenous disadvantage? Canberra, 7 July 2009)

Policy strategies are one thing; their delivery, on the ground, is another. In recent years we've learned quite a lot about models of Indigenous program delivery. No doubt, we have a lot more to learn. However, I reckon we do know this much: that program delivery must be targeted to local needs, integrated and delivered in a cost effective and non-threatening way. This is important for the proper functioning of government; but it is equally vital for those people for whom the programs exist — Indigenous people themselves.

As policy makers and administrators, we understand this at a conceptual level. But we haven't been very good at allowing that understanding to affect the way in which we implement things. Critically, in our understandable focus on compliance and accountability we have a tendency to insist on paperwork of Himalayan grandeur. And to what end? I have witnessed firsthand, in several Indigenous communities, how the mountains of red tape simply bury the limited administrative resources available at the local level.

(Dr Ken Henry, Secretary to the Treasury, Addressing Extreme Disadvantage through Investment in Capability Development, Canberra, 6 December 2007)

CHAPTER 3: THE PROGRAMS UNDER REVIEW

At Attachment D is a list of the 232 programs within the scope of this review. Estimated 2009-10 expenditure under these programs is \$3,479 million.³³ There are Indigenous programs in all portfolios except Immigration and Citizenship.

The Review's terms of reference require the Review's consideration of the full range of Commonwealth Indigenous-specific programs, including any discrete Indigenous elements within mainstream programs. Funding provided to the States and Territories under *National Partnership Agreements* is outside the Review's terms of reference but 'Commonwealth own purpose expenditures' identified in Indigenous National Partnership Agreements are considered to be within scope.

The three portfolios with the largest Indigenous expenditures are Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) (39 per cent of all Indigenous expenditures), Health and Ageing (26 per cent) and Education, Employment and Workplace Relations (18 per cent). Three other portfolios also have large Indigenous expenditures – Attorney-General's (six per cent of all Indigenous expenditures), Human Services (five per cent) and Environment, Water, Heritage and the Arts (four per cent). Human Services' Indigenous expenditure has increased in recent years because of direct appropriations to Centrelink and because of the portfolio's income management responsibilities associated with the Northern Territory Emergency Response (NTER).

In absolute terms, the largest reported growth in Indigenous expenditures over the last two years is in the Health and Ageing portfolio (from \$737 million in 2007-08 to an expected \$917 million in 2009-10).³⁴ Because of data complexities, significant policy changes including changes to Administrative Arrangements Orders and transfers of funding and responsibility to the States and Territories, this Review saw little value in attempting a detailed analysis of historical trends.³⁵

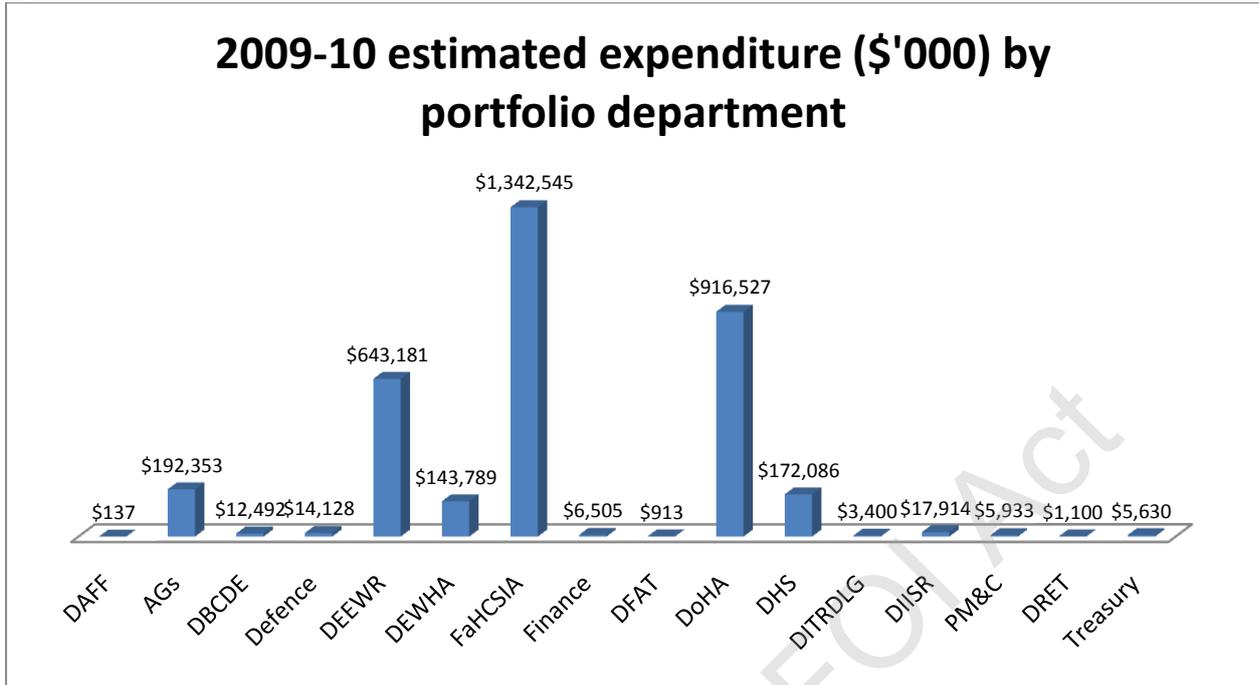
Estimated 2009-10 Indigenous expenditures, by portfolio are shown in the following chart.

³³ The \$3,479 million 2009-10 estimate is based on advice from agencies in survey returns received between October 2009 and January 2010. Revised estimates submitted by two agencies in late February 2010 have not been incorporated into this Review's tabulations or analyses. Separate footnotes in Attachment D and in Chapter 5 identify February 2010 estimates revisions for relevant programs. Net effect of these revisions is \$1.445 million, bringing total estimated 2009-10 expenditure to \$3,480 million. Other agencies would also have revised some estimates between October 2009 and February 2010 but did not provide revised estimates to this Review, and were not asked to do so.

³⁴ The 2007-08 figure is the sum of Australian Government Indigenous Expenditure (AGIE) amounts reported as 2007-08 actuals in the 2008-09 Portfolio Budget Statements for the Department of Health & Ageing, Australian Institute of Health and Welfare (AIHW), Australian Sports Commission (ASC), National Health and Medical Research Council (NHMRC) and General Practice Education and Training Ltd (GPET)

³⁵ Consolidation of Identifiable Commonwealth Expenditure on Indigenous Affairs/Australian Government Indigenous Expenditure (AGIE) from 2000-01 to 2008-09 is included in Gardiner-Garden, J. & Park, M. , *Commonwealth Indigenous-specific expenditure 1968-2008*, Parliamentary Library Research Paper , Parliament of Australia 2008. <http://www.aph.gov.au/Library/pubs/RP/2008-09/09rp10.pdf>

Figure 3.1



Identifying current Indigenous programs

Merely identifying the Commonwealth’s Indigenous specific programs was problematic. Our initial listing was taken from the Australian Government Indigenous Expenditure (AGIE) database maintained by FaHCSIA. Information in that database had been entered by agencies administering the individual programs or by relevant portfolio departments on their behalf.

AGIE is the sum of:

- Indigenous specific program expenditure (ISPE), taken as expenditure on programs agreed by the Government specifically and separately for the benefit of Indigenous people; and
- Indigenous specific mainstream expenditure (ISME), derived from mainstream programs that target a broader (generally community wide) base but from which funding has been specifically directed to Indigenous specific purposes.

Ordinary access by Indigenous persons to mainstream government benefits and services, e.g. age pensions, is not regarded under AGIE as Indigenous specific expenditure.³⁶

The above definition of AGIE as Indigenous specific program expenditures is longstanding³⁷ but different to that used by the Productivity Commission in its current exercise for COAG. Terms of reference for the Productivity Commission’s *Indigenous Expenditure Report* require

³⁶ It should be noted that while AGIE captures Indigenous specific program expenditures it does not represent additional Australian Government expenditures on Indigenous Australians. Some Indigenous programs in part substitute for mainstream program expenditures. *Abstudy*, for example, in large part substitutes for *Austudy*.

³⁷ This definition was submitted to the Secretaries Group on Indigenous Affairs in 2004 and was included in Finance advice to agencies on how to prepare their AGIE tables for 2005-06 Portfolio Budget Statements.

it to report, for all jurisdictions, on *'expenditure on services which support Indigenous Australians'*. This includes not only Indigenous specific expenditure (which, in the case of the Commonwealth, equates to AGIE) but also, for mainstream spending, the shares of expenditure that relate to Indigenous people. The Productivity Commission's 17 December 2009 Expenditure Data Manual notes that where expenditure relates to both Indigenous and non-Indigenous people, calculating the share related to Indigenous people must involve *'a process of estimation rather than aggregation'*.³⁸

The Productivity Commission's Indigenous expenditure data collection exercise is now underway. If agencies are required to continue reporting for AGIE, there is now greater scope for them to be confused about whether they should include not only Indigenous specific expenditures but also some share of expenditures under programs that are not Indigenous specific.

With minor exceptions, FaHCSIA's AGIE database matched the summary AGIE information included in individual 2009-10 Portfolio Budget Statements³⁹. The AGIE tables in the Portfolio Budget Statements, however, often report Indigenous expenditures only at Outcome levels, not against the formal Programs that contribute towards achieving those Outcomes, or at the lower level 'small p' programs that operate within many of the formal Programs. Most Indigenous programs (and all ISME) are 'small p' programs rather than Programs within the formal Program Budgeting framework. It is on these 'small p' programs that the Review's analysis has focused.

In some cases, e.g. DEEWR's *'Indigenous Education (Targeted Assistance) Amendment Act 2004'* 'program', it was clear that the 'units' listed in the AGIE database were so large that the Review would need to deal separately with different elements within that program 'unit'. In other cases, e.g. small Indigenous 'programs' within the Australian Tax Office, some consolidation was clearly desirable. The Review's decisions to disaggregate or consolidate the 'programs' listed in the AGIE database were taken in consultation with the agencies concerned. Many, if not most, programs consist of separate elements and it is frequently unclear whether those elements should be regarded as separate 'programs'.

In settling the units of analysis for the Review it became apparent that many activities long recorded as ISME were not distinct Indigenous elements of mainstream programs but merely aggregations of grants that happened to go to Indigenous organisations. Again, decisions to remove these activities from the list of Indigenous programs were taken in consultation with the agencies concerned. The following advice was provided to agencies to assist those decisions:

The term 'program', for our purposes, means a distinct activity with an Indigenous target group, not Program in the Program Budgeting context. As to whether the ISME label properly applies to particular mainstream expenditures, at least the following questions should be asked, and answers weighed:

³⁸ Productivity Commission, *2010 Indigenous Expenditure Report*, Productivity Commission, Canberra, 2009, p. 15, viewed 29 January 2010, <www.pc.gov.au>.

³⁹ Following the abolition of ATSIC, Portfolio Budget Statements included AGIE tables to demonstrate that the mainstreaming of Indigenous program responsibilities did not result in reduced Indigenous spending.

- *Are there distinct administrative/policy arrangements (e.g. additional positions)?;*
- *Are there distinct delivery arrangements?;*
- *Has attribution to AGIE been ex-post (e.g. on the basis of grants that went or previously went to Indigenous organisations) or ex-ante, as an identified component of a mainstream program?*

In other cases, again in consultation with the agencies concerned, programs not previously recorded as AGIE were identified as Indigenous specific and included within the scope of this review.

Some formal guidance on what constitutes AGIE would help prevent recurrence of these classification problems and encourage a consistent approach across agencies.

Data collection – questionnaires about each Indigenous program

In early October 2009, portfolio departments were asked to complete a questionnaire for each Indigenous program/unit of analysis. The questionnaire was developed in consultation with the three agencies with major Indigenous policy responsibilities. A copy of the questionnaire and explanatory notes provided to all agencies is available on request from either Finance or FaHCSIA. All portfolios responded, eventually.⁴⁰ Many agencies, particularly the three largest, had difficulty in identifying departmental expenses at the 'small p' program level and this information was unavailable to the Review for many programs. Survey results are discussed later in this chapter.

Indigenous programs within independent non-Indigenous agencies

In a small number of cases portfolios declined to complete the questionnaires. These were mainly for Indigenous programs within independent non-Indigenous agencies (e.g. the Australia Council, the Australian National Maritime Museum). For some other independent non-Indigenous agencies' Indigenous programs (e.g. Indigenous programs within the ABC and SBS) 'completed' survey forms were almost blank and of no use to this Review. It appears that in these cases the relevant portfolio departments had limited knowledge about Indigenous programs within their associated agencies. In fairness to the portfolios concerned, however, the Review notes that the extent of any consultation with portfolio agencies was left to individual portfolio departments to decide. Further, the independent natures of these agencies – their internal resource allocation decisions, including to Indigenous programs, are generally made by their Boards – meant that this Review saw little value in a close scrutiny of their Indigenous programs. In a hierarchy of policy considerations, the independence of these non-Indigenous organisations probably ranks higher than the degree of alignment between their Indigenous expenditures and the COAG *Closing the Gap* targets.

⁴⁰ Centrelink provided survey returns for only part of its Indigenous expenditures. This Review's estimate of Centrelink expenditures is thus based on the Human Services Portfolio 2009-10 Portfolio Budget Statements.

Internally focused and external liaison Indigenous programs

Resources available to the Review and the timeframe within which the Review was obliged to report meant that detailed scrutiny of all Indigenous programs was impossible. Some rationing of the Review's resources was unavoidable. Lesser scrutiny has been applied not only to Indigenous programs within non-Indigenous independent agencies but also to two other types of Indigenous programs – internally focused Indigenous recruitment/ retention programs and external Indigenous liaison programs.

The internally focused Indigenous recruitment programs are discussed, as a group under economic participation in chapter 5.5 of the report. They are small programs that generally offer cadetships to Indigenous persons to assist them with tertiary studies prior to guaranteed employment within the sponsoring agencies. While having a significant employment and hence economic impact on individual participants, their overall impact on Indigenous employment and economic development is small.⁴¹

External Indigenous liaison programs are those identified by agencies as discrete programs whose purposes are to improve, for Indigenous clients, the performance of other programs within those agencies. Again, they are small programs.

Independent non-Indigenous agency programs, internally focused programs and external liaison programs together account for an estimated \$45 million expenditure in 2009-10. These 36 programs represent 15.5 per cent of the total number of Indigenous programs but only 1.3 per cent of total Indigenous program expenditure. They all involve expenditure of departmental rather than administered funds.

Over-reporting Indigenous expenditures

FaHCSIA's AGIE tables in recent Portfolio Budget Statements (PBSs) have contained some significant double counting of Indigenous expenditures. Further double counts occur if one attempts to consolidate the AGIE data provided by different agencies. These problems relate largely but not entirely to Special Accounts.

⁴¹ The time available to this Review has been insufficient for rigorous checking and cleansing of expenditure data for internally focused programs. Most such programs are funded in part (up to \$14,000 per participant, per annum) by DEEWR's *Employment program element, Indigenous Cadetship Support sub-program* subsidy, received by agencies as section 31 (i.e. Section 31 of the *Financial Management and Accountability Act 1997*) income and in part from other departmental funds available to those agencies. Some agencies in receipt of DEEWR subsidies have not reported any internally focused Indigenous programs. Some agencies have included the DEEWR subsidies in their reported Indigenous expenditures. Others have reported Indigenous expenditures net of the DEEWR subsidies. DEEWR has reported these subsidies as part of its Indigenous expenditures. To avoid double counts, the preferred approach to reporting aggregate expenditures is that they are highlighted when leaving the government sector.

On the understanding that for these small internally focused programs, the unreported Indigenous expenditures will approximately balance the double counts, this issue has not been fully pursued. Instead, this Review's attention has been directed towards rectifying other very large (hundreds of millions of dollars) double counts of Indigenous expenditures reported in Portfolio Budget Statements (PBSs). If the Department of Finance and Deregulation provided additional guidance to help agencies prepare their PBS tables of AGIE, these inconsistencies would be reduced.

While it is proper that an agency include all Indigenous specific expenditures in its AGIE tables, including payments to other agencies that in turn spend that money on other Indigenous specific programs and report so in their AGIE tables, consolidations of AGIE require a netting out of these interagency payments. The task of consolidating would be easier if interagency payments were more readily identifiable.

The estimated \$1,714 million 2009-10 AGIE reported by FaHCSIA at page 146 of its PBS included \$200 million for the Aboriginals Benefit Account (ABA) Special Appropriation and \$147 million for the Aboriginals Benefit Special Account. The former amount is an estimate of 2009-10 payments into that account; the latter is an estimate of payments out. In the opinion of this Review, the former amount should not be reported as AGIE.

The bulk of payments from the ABA goes to Northern Territory Land Councils which are independent statutory bodies established under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA). Land Councils operate under the *Commonwealth Authorities and Companies Act 1997* (CAC Act). It is arguable that payments from the ABA to the Land Councils do not constitute AGIE and that the expenditure should be reported only when it leaves the Northern Territory Land Councils. On the other hand, Northern Territory Land Councils are not budget funded and do not provide PBSs. Transparency of Commonwealth Indigenous expenditures is thus enhanced by FaHCSIA reporting as AGIE the payments from the ABA to the Land Councils.⁴²

The other large double count in FaHCSIA's PBS AGIE table also involved a Special Account. The estimated \$1,714 million 2009-10 AGIE reported by FaHCSIA included \$426 million for *Community Development Employment Projects* (CDEP) but also \$180 million for the *Indigenous Employment Special Account* (IESA). FaHCSIA has since advised that the \$180 million for IESA is part of rather than additional to the \$426 million for CDEP.

IESA was established as a replacement for the *Northern Territory Flexible Funding Pool Special Account*. Various agencies⁴³ receive funding from IESA to pay for jobs and traineeships in organisations funded by those agencies – for example, Indigenous rangers funded through DEWHA and night patrol workers funded through AGD.

When IESA began on 1 July 2009, it was unclear what the breakup between agencies might be for the various 'real jobs' that were replacing CDEP positions. It is expected that from 1 July 2010, Commonwealth portfolio departments will receive direct appropriations for these purposes rather than receive funds through IESA. While the IESA double count is therefore unlikely to remain a problem in any future consolidations of AGIE, there is a risk of similar double counts if other special account mechanisms are adopted, as appears likely for Remote Service Delivery.

⁴² This Review is aware of differences of opinion about when moneys sourced from the ABA cease to become public moneys. If they remain public moneys while in the custody of the Land Councils and, in the case of moneys paid by the Land Councils to individual 'royalty associations', while in the custody of those royalty associations, then those royalty associations would be subject to greater accountability requirements than are currently applied. Although raised with this Review, this issue is somewhat removed from our terms of reference.

⁴³ AGD, DEEWR, DEWHA, DoHA, the Indigenous Land Corporation (ILC), FaHCSIA and the NT Government.

Some guidance on how AGIE tables should report payments into and out of Special Accounts, and how to highlight those occasions when AGIE includes payments between Australian government agencies, would help avoid recurrence of similar problems.

Overview of current program arrangements

The following table shows, by portfolio, the numbers of Indigenous programs and average estimated 2009-10 expenditure per program within each portfolio. Unsurprisingly, the portfolios with the highest Indigenous expenditures (FaHCSIA, DEEWR and DoHA) also have the largest average expenditure per program. In FaHCSIA's case, the large *Community Development Employment Projects* program (\$406 million, after adjustments) significantly influences the 'average per program' figure. There is a multitude of small FaHCSIA programs.

Table 3.1

Portfolio	Number of Programs	Total 2009-10 Program Expenditures (\$000)	Average 2009-10 Expenditure per Program (\$000)
Agriculture, Fisheries and Forestry	1	\$137	\$137
Attorney-Generals	19	\$192,353	\$10,124
Broadband, Communications and the Digital Economy	5	\$12,492	\$2,498
Defence	4	\$14,128	\$3,532
Education, Employment and Workplace Relations	51	\$643,181	\$12,611
Environment, Water, Heritage and the Arts	25	\$143,789	\$5,752
FaHCSIA	55	\$1,342,545	\$24,410
Finance and Deregulation	2	\$6,505	\$3,253
Foreign Affairs and Trade	5	\$913	\$183
Health and Ageing	38	\$916,527	\$24,119
Human Services	10	\$172,086	\$17,209
Infrastructure, Transport, Regional Development and Local Government	2	\$3,400	\$1,700
Innovation, Industry, Science and Research	5	\$17,914	\$3,583
Prime Minister and Cabinet	3	\$5,933	\$1,978
Resources, Energy and Tourism	2	\$1,100	\$550
Treasury	5	\$5,630	\$1,126
Total	232	\$3,478,633	\$14,994

Rather than consider Indigenous programs on a portfolio by portfolio basis, the Review has assessed programs in functional groups. The groupings used correspond largely to the seven Building Blocks recognised by COAG in the *National Indigenous Reform Agreement* as supporting the reforms aimed at *Closing the Gap* against the six COAG targets. The Building Blocks endorsed by COAG are:

- *Early childhood;*
- *Schooling;*
- *Health;*
- *Economic participation;*
- *Healthy homes;*
- *Safe Communities; and*
- *Governance and Leadership.*

With some small differences in wording, these seven Building Blocks are the same as the 'Strategic areas for action' identified in the Productivity Commission's reporting framework for *Overcoming Indigenous Disadvantage*.

While most Indigenous programs align to a specific Building Block, some do not and the taxonomy used in this report therefore includes four additional groups - 'Youth at Risk', 'Culture, Arts and Heritage', 'Native Title and Land Rights' and 'Other Programs'. The 'Other Programs' group includes some programs with sufficiently wide scope to relate to any or all of the Building Blocks.

As well as having the four additional groups, the wide-ranging objectives of Indigenous programs have meant that our groupings do not precisely correspond to the Building Blocks. This is particularly so for the 'safe communities' Building Block. As indicated by the title used in chapter 5.7 of the report - 'Families, Communities and Child Protection' - family and community focused Indigenous programs are included in this grouping, notwithstanding that some of them are not directly aimed at safer communities.

Individual programs have been mapped to only one of the eleven groups listed above. It is recognised that many programs relate to two or more groups but without this one to one mapping the Review's consideration of the 232 programs would have been much more difficult to manage.

Excluding the \$325 million in departmental expenses in FaHCSIA and DEEWR that were not allocated to programs and that the Review has therefore been unable to allocate to particular functional groupings, the following charts show the distribution of estimated 2009-10 Indigenous expenditure between the functional groups and the distribution, by numbers of programs, between those groups.

Figure 3.2

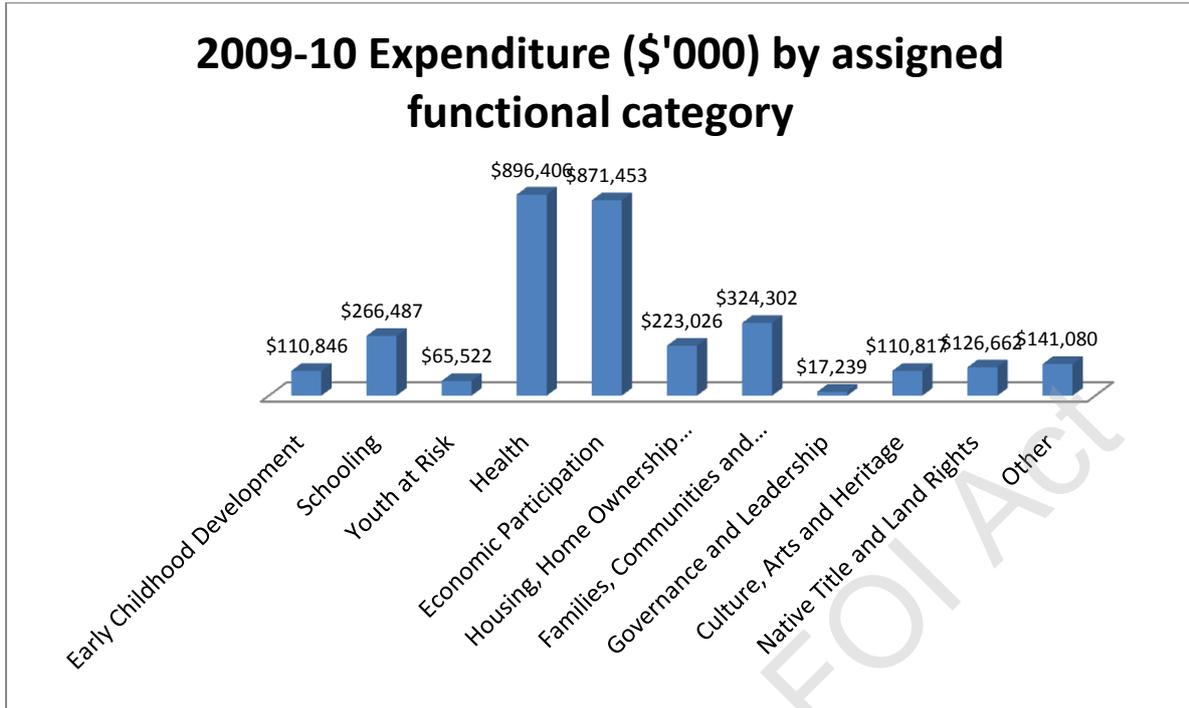


Figure 3.3

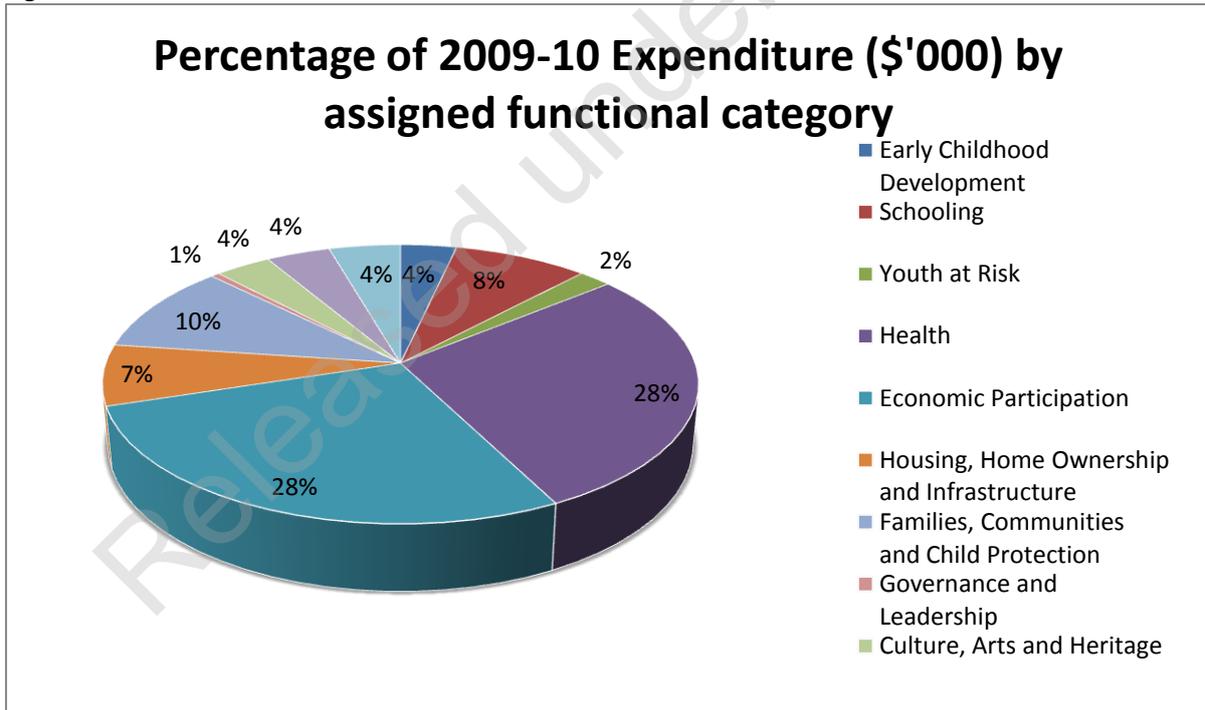
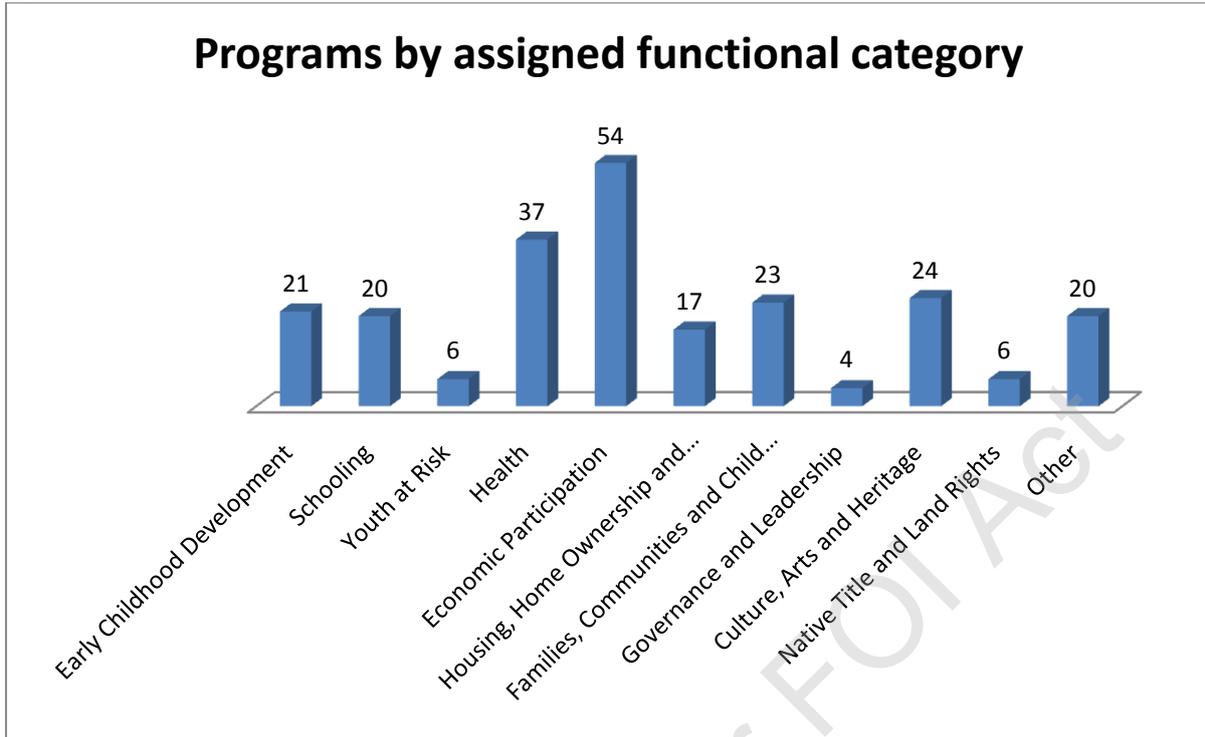


Figure 3.4



Survey results

The quality of completed surveys varied so greatly that only a small number of significant conclusions can be drawn from analysing survey results. Most survey returns nevertheless contained program specific information (e.g. stated program objectives, estimates of administered expenses, descriptions of 2008-09 outputs, identification of recent evaluations) that was of considerable assistance to the Review, both in reaching a better understanding of the programs and in identifying issues for discussion during consultations with individual agencies.

Ratios of departmental to administered expenses for grant programs

Questions about departmental expenditure on individual programs were usually left unanswered. AGD, DEWHA and, in general, the agencies with smaller Indigenous expenditures did answer these questions, but absence of information from the large agencies means that no conclusion can be drawn about average ratios of departmental to administered expenses for grant programs.

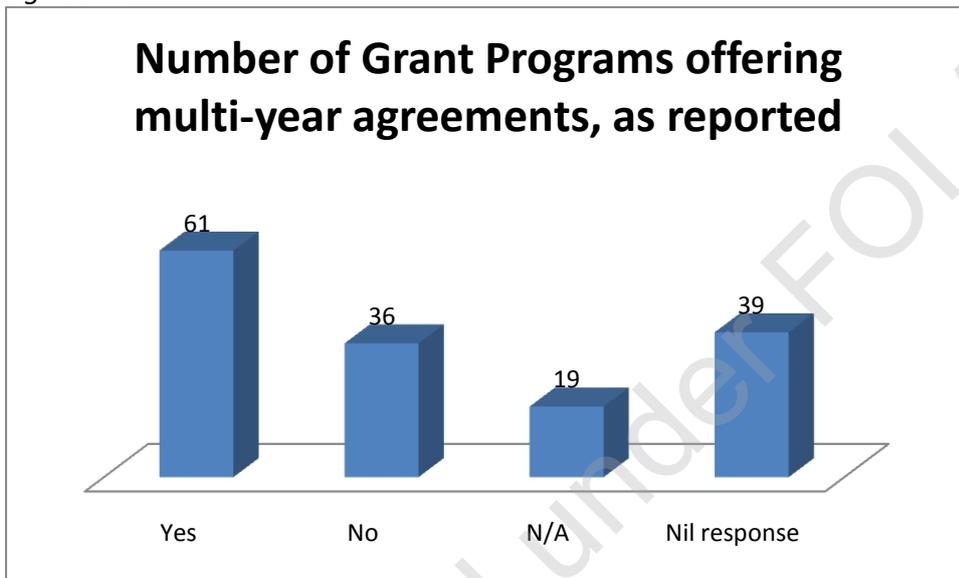
Multi-year funding

Of program managers whose responses indicated a clear 'yes' or 'no' on whether their program offered multi-year funding, the majority (63 per cent) did offer multi-year funding.

Those that did, moreover, accounted for the bulk of Indigenous administered spending.⁴⁴ Only a minority of grants from programs that offer multi-year funding may in fact be multi-year grants, but many program managers appear to have accepted that multi-year funding is appropriate in some circumstances.⁴⁵

Nevertheless, it is troubling that some 37 per cent of program managers who responses indicated 'yes' or 'no' to this survey question do not offer multi-year funding. The following charts show, for programs that reported administered spending, the number of programs that did or did not offer multi-year funding, and the estimated 2009-10 expenditure under those programs.⁴⁶

Figure 3.5

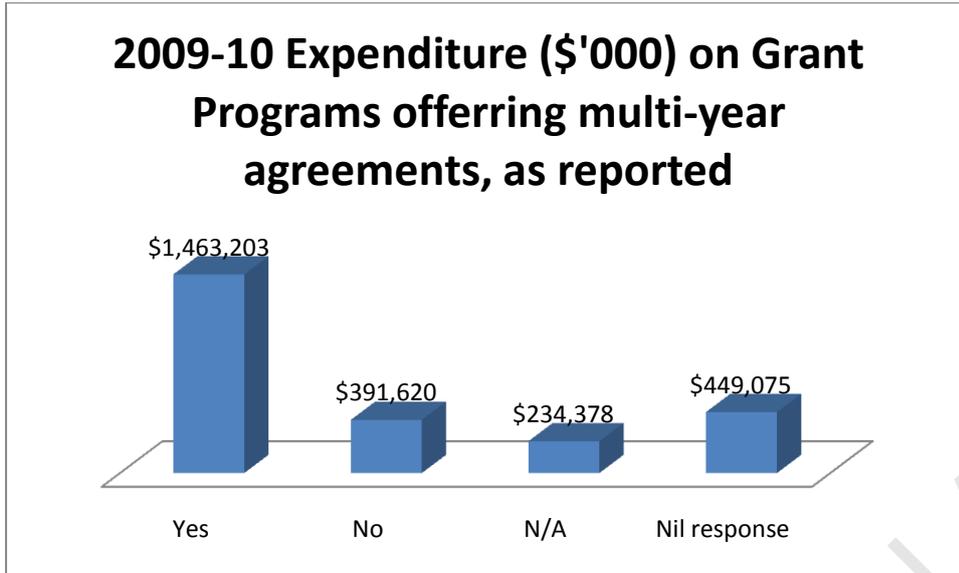


⁴⁴ Administered spending is used here as an approximation for grant funding. Some grant funding, however, is classified as departmental spending. For example, AHL grants to third party hostels are departmental spending by AHL. The appropriation to FaHCSIA for AHL is administered but becomes departmental when received by AHL. All spending by IBA (including the loans it makes under its housing programs) and ILC is similarly regarded as departmental spending.

⁴⁵ Chapter 7 'Improving Program Management' contains further discussion on multi-year funding.

⁴⁶ 155 of the 232 Indigenous programs involved administered funds. Relevant survey question for determining multi-year funding was number 8(o) 'What is the nature and length of the funding, under the above funding instrument(s), for service providers under this program?' It is unclear whether the expression N/A used by some agencies in their responses was intended to mean 'not available' or 'not applicable'.

Figure 3.6



Evaluation

Most Indigenous programs have not been evaluated within the last three years.⁴⁷ Those that have been evaluated within the last three years, however, account for almost two thirds of estimated 2009-10 expenditure. Evaluation has clearly, and sensibly, been targeted at the more material programs. The quality of many evaluations, however, is poor. Chapter 10, 'Building the Evidence Base', discusses the limitations of current evaluation arrangements.

⁴⁷ Discussion of survey results on evaluation, risk assessments and alignment with COAG Service Delivery Principles relates to all 232 Indigenous programs, not just the 155 programs reporting administered spending. In some cases (for example, regarding evaluation for a program that has just begun or regarding review for alignment with COAG service delivery principles for a program that does not deliver services) negative responses to survey questions are not unreasonable.

Figure 3.7

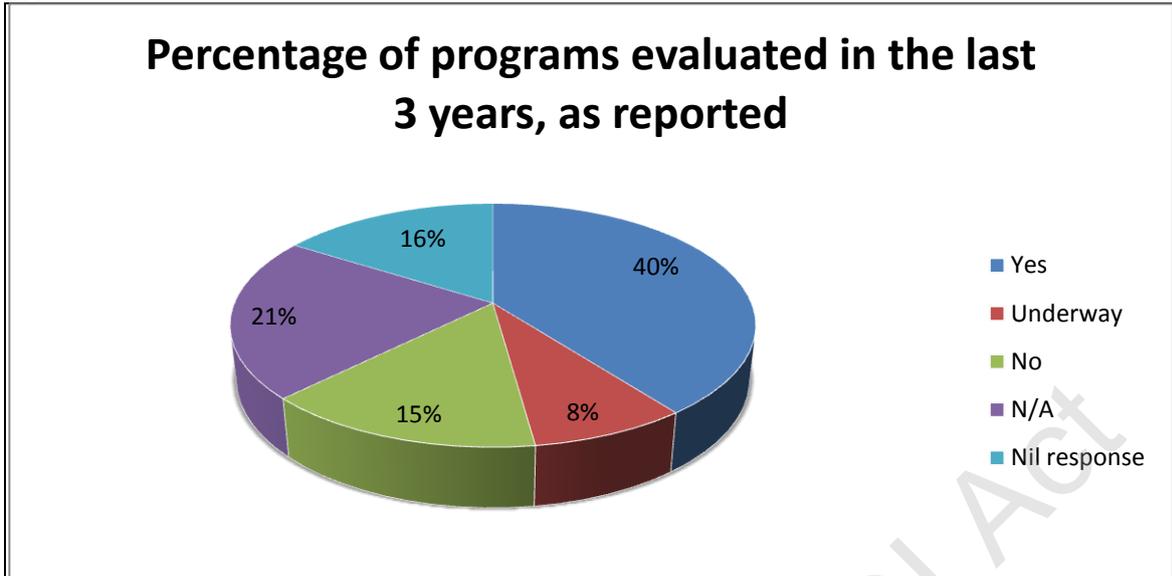
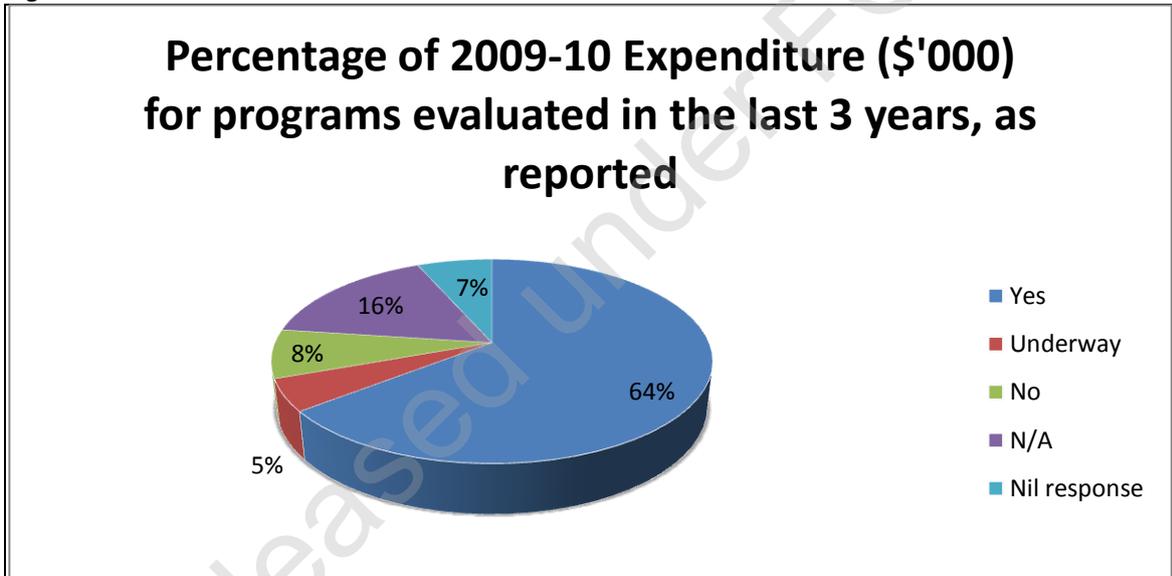
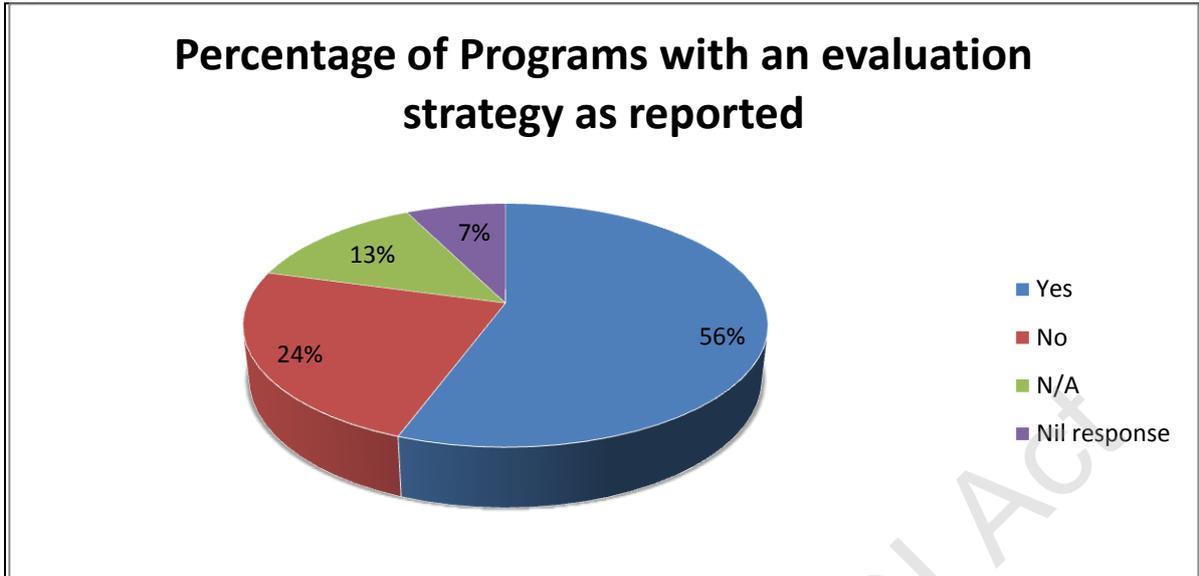


Figure 3.8



Most programs (61 per cent) report having an evaluation strategy in place.

Figure 3.9



Risk assessments and alignment with COAG Service Delivery Principles

No risk assessments have been conducted for most Indigenous programs. This is a basic failing on the part of many program managers. Rather than make a separate recommendation for risk assessments to be conducted, this Review considers that risk assessments should be an integral part of performance monitoring, review and evaluation. Such monitoring, review and evaluation is required by the accountability principle within the *COAG Service Delivery Principles for Programs and Services for Indigenous Australians*. A recommendation later in this report is that program managers be required to align their program guidelines with those *Principles*. Most Indigenous programs have not yet been reviewed for alignment with the *COAG Service Delivery Principles*.

Figure 3.10

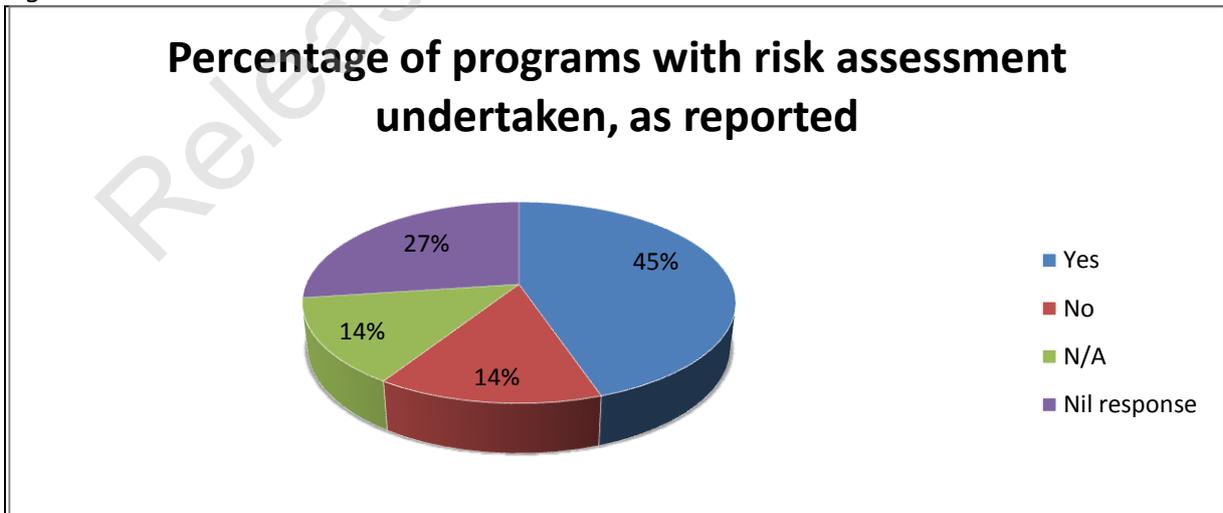
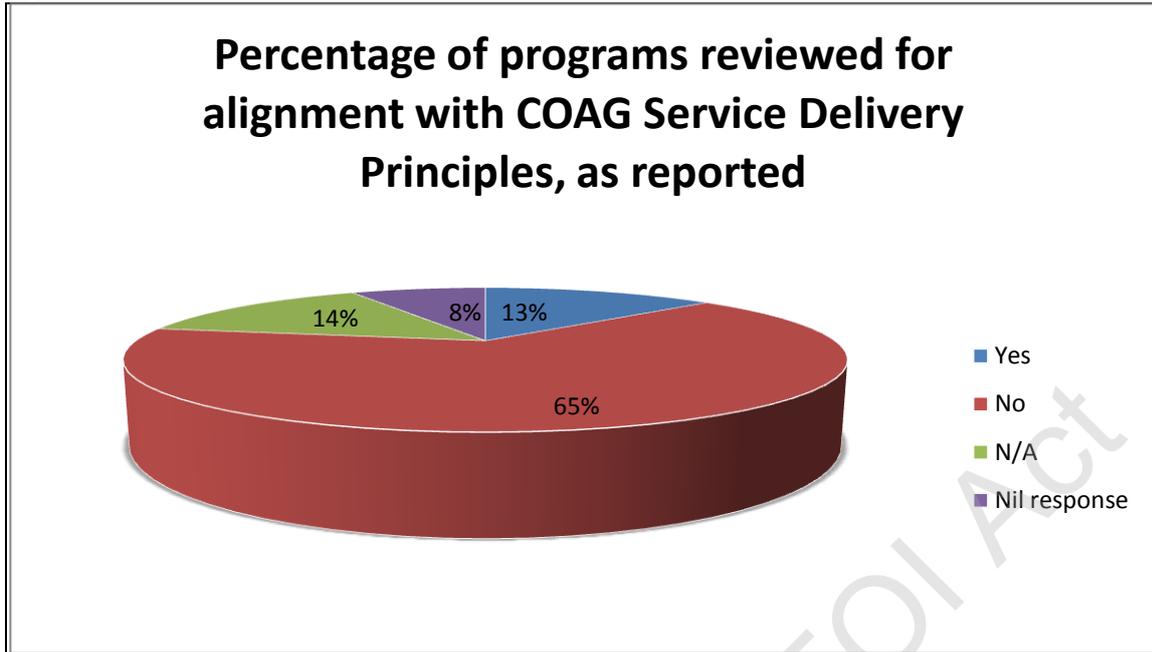


Figure 3.11



Assessment of current program arrangements

The longstanding complication of Commonwealth versus State and Territory responsibility for overcoming Indigenous disadvantage is now being sensibly addressed through the COAG cooperative framework. Overlap between Commonwealth and State responsibilities and programs is not, of course, unique to Indigenous programs.

The plethora of Commonwealth Indigenous specific programs is inherently inefficient. Smaller programs are likely to have higher administration costs relative to total program expenditures, with the burden of these higher administration costs falling not only within government but also on the Indigenous organisations and other service providers that receive funding from those programs. Therefore, a major theme arising from this Review is the consolidation of existing programs.

The transfer of Indigenous programs to various agencies that occurred following the abolition of ATSIC increased the potential for overlap and duplication between agencies and this appears to have occurred, along with increased resources required for coordination. Again, however, such overlaps are not unique to Indigenous programs. The transfer of responsibilities to mainstream agencies has been positive in that it has highlighted to program managers that their programs must cater to Indigenous as well as other Australians and that the responsibility to address Indigenous problems does not lie solely with some Indigenous specific agency. This is the most appropriate long term approach.

The Review's proposals for reform covered in chapter 5 below are grouped around functional areas – largely corresponding to the *COAG Building Blocks* plus other government priorities – rather than around existing portfolio responsibilities. This structure has helped identify candidates for program consolidation.

Although the Review has made some recommendations for the transfer of programs between agencies, and have considered other possible transfers, the Review considers that the current distribution of Indigenous program responsibilities is generally appropriate.

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CHAPTER 4: PRINCIPLES FOR REFORM

This chapter examines the principles which should govern the design and future operation of the Commonwealth's Indigenous-specific funding programs. It is useful for this purpose to distinguish three broad sets of principles:

- those principles which have already been developed and agreed by COAG under the provisions of the *National Indigenous Reform Agreement* and the *National Partnership Agreement on Remote Service Delivery*;
- the principles applied by the Review in forming its judgements on the appropriate treatment of the *current* array of Indigenous funding programs: in particular, the circumstances in which existing programs should be continued, terminated, incorporated into a mainstream program or consolidated/broad-banded; and
- the principles which should apply to the consideration of *future* proposals for the establishment of new Indigenous-specific funding programs.

There are strong connections between these three sets of principles, and much common ground between them; at the same time, there are some significant points of difference in focus and emphasis. It is therefore useful to consider each set of principles individually, as below.

Established COAG principles

Under the auspices of its *National Indigenous Reform Agreement* (NIRA) and *National Partnership Agreement on Remote Service Delivery*, COAG has endorsed a series of important principles to guide the delivery of programs and services to Indigenous Australians and to inform decisions on investments in remote communities with significant Indigenous populations.

National Service Delivery Principles

Drawing upon the *National Framework of Principles for Government Service Delivery to Indigenous Australians* agreed in 2004, the COAG meeting of December 2008 articulated a set of six service delivery principles designed to guide future decisions on:

- the design and delivery of Indigenous-specific and mainstream government programs and services provided to Indigenous people; and
- the development and negotiation of future National Partnership Agreements, National Agreements and other reform proposals in the Indigenous domain.

In short form, these service delivery principles are as follows:

Priority principle: Programs and services should contribute to *Closing the Gap* by meeting the targets endorsed by COAG while being appropriate to local community needs.

Indigenous engagement principle: Engagement with Indigenous men, women and children and communities should be central to the design and delivery of programs and services.

Sustainability principle: Programs and services should be directed and resourced over an adequate period of time to meet the COAG targets.

Access principle: Programs and services should be physically and culturally accessible to Indigenous people, recognising the diversity of urban, regional and remote needs.

Integration principle: There should be collaboration between and within Governments at all levels and their agencies to effectively coordinate programs and services.

Accountability principle: Programs and services should have regular and transparent monitoring, review and evaluation.

The more detailed statement of these principles, at Schedule D to the NIRA, includes some significant points of elaboration and practical guidance. Under the *Sustainability* principle, for example, COAG makes it clear that particular attention should be given to strategies which:

- use evidence to develop and redesign programs and services, and to set priorities;
- recognise the importance of early intervention;
- serve to increase the independence, empowerment and self-management of Indigenous people;
- promote flexibility in program design to meet local needs;
- develop the skills, knowledge and competencies of Indigenous people, communities and organisations;
- support Indigenous communities to harness the engagement of the corporate, non-government and philanthropic sectors; and
- foster opportunities for Indigenous service delivery where that will support the objectives of the program or service in question.

Under its *Accountability* principle, likewise, COAG stipulated that particular attention should be given to:

- ensuring that mainstream service delivery agencies have strategies in place to achieve Indigenous outcomes and meet Indigenous needs;
- periodically reviewing the performance and contribution of programs and services, making adaptations as appropriate;
- clearly defining and agreeing the responsibilities of government and communities; and
- evaluating programs and services from multiple perspectives (including client, community and government perspectives), and incorporating the lessons from evaluation studies into future program and services design.

National principles for investments in remote locations

In addition to the general service delivery principles discussed above, COAG has endorsed a series of important principles to be applied in making decisions on investments in remote locations (as articulated in the *National Partnership Agreement on Remote Service Delivery*). The guiding principle here is that remote Indigenous communities (including remote communities with significant Indigenous populations) should be entitled to standards of services and infrastructure which are broadly comparable with those in non-Indigenous communities of similar size, location and need elsewhere in Australia. At the same time,

investments in remote communities should serve to support long-term sustainability and individual empowerment, in particular by:

- improving participation in education, training and the market economy;
- strengthening Indigenous leadership and governance;
- reducing dependence on welfare wherever possible; and
- promoting personal responsibility, engagement and behaviours consistent with positive social norms.⁴⁸

COAG acknowledged that, with more than 1,000 remote communities operating across Australia, it was unrealistic to expect that all could expect to receive the same standards of services and infrastructure; rather, priorities would need to be set and investments coordinated, so that available resources could be used to best effect. In identifying where to concentrate future government investments, COAG agreed that priority should be given to larger and more economically viable communities where secure land tenure exists, with sequencing decisions also to have regard to factors such as the following:

- the willingness of a community to embrace change and to rebuild social norms, supported by strong community leadership;
- the potential for economic development and employment, including opportunities for corporate investments and partnerships;
- the capacity of local service providers and the quality of service delivery support;
- the extent of pre-existing shortfalls in infrastructure and services; and
- the scope for infrastructure and service investments to facilitate access by smaller surrounding communities (including through the provision of outreach services).

COAG has made it clear that, while Indigenous peoples' cultural connections to homelands need to be recognised, there should be no expectation of major investment in service provision in locations where there are few economic or educational opportunities. Beyond the provision of a core set of government services available to all Australians (basic health, education and employment services, for example), the objective as far as possible should be to maximise the role of 'priority communities' to operate as service hubs that will support improved outcomes not only for their own residents but also for those living in neighbouring areas. Significantly, COAG agreed that voluntary mobility should be supported for those individuals and families wishing to move to areas where there are better education and job opportunities, and higher standards of services.⁴⁹

Since they were first enunciated in late 2008, these high-level principles have been given concrete expression in the decisions announced in April 2009 to concentrate the first tranche of resources committed under the *National Partnership Agreement on Remote Service Delivery* on 29 priority communities in remote Australia. Governments have committed to transform the ways in which they invest and do business in these communities by providing coordinated engagement and service planning through a single government interface. Key aims will be to strengthen Indigenous leadership and governance and increase economic and social participation.

⁴⁸ Council of Australian Governments, *National Investment Principles in Remote Locations*, Schedule E to the *National Indigenous Reform Agreement*, 2008.

⁴⁹ *ibid.*, Principle (c)(ii).

Work is proceeding on the establishment of this *Remote Service Delivery (RSD) Strategy*, with FaHCSIA managing the process of whole-of-government implementation. Existing conditions in each community are being mapped to provide a baseline for measurement of progress over time, and detailed local implementation plans (LIPs) will be developed in each location in active partnership with Indigenous people and other local stakeholders. Some particular issues relating to aspects of the implementation of this strategy are discussed in Chapter 6 below.

As a complement to its strategy for service delivery in remote Australia, COAG has also endorsed a *National Urban and Regional Service Delivery Strategy for Indigenous Australians* (July 2009) under the NIRA framework. This strategy highlights the fact that, with some 75 per cent of Indigenous Australians now resident in urban and regional locations, the achievement of COAG's *Closing the Gap* targets will not be possible unless significant gains can be made in urban and regional locations. Accordingly, the strategy requires jurisdictions to leverage both Indigenous-specific and mainstream funding as agreed by COAG, along with other existing resources, to improve Indigenous Australians' outcomes in urban and regional areas.

Principles applied in the current Review

Within the general framework established by COAG's agreements (as discussed above), the Review has developed a set of principles ([Attachment B](#)) to guide its own judgements on the appropriate treatment of the *current* array of Indigenous funding programs: in particular, the circumstances in which existing programs should be continued, terminated or consolidated/broad-banded.

Alignment

One clear requirement is that the objectives and delivery strategies for any Indigenous-specific funding program should align with Government policy goals and priorities. The most important of these are the goals and priorities associated with the *Closing the Gap* strategy (in particular, the *Closing the Gap* targets and related Building Blocks) and the array of COAG National Agreements and National Partnership Agreements, including the *National Indigenous Reform Agreement* and the *National Partnership Agreement on Remote Service Delivery*.

Mainstream programs and services

Notwithstanding the large number of Indigenous-specific funding programs currently in place, Indigenous people rely heavily upon the mainstream programs funded by governments to deliver support and services to all Australians.⁵⁰ It is therefore of critical importance that these mainstream programs should be held accountable for delivering high-

⁵⁰ The *Indigenous Expenditure Report* being prepared by the Productivity Commission can be expected to shed new light in this area. The report will cover all expenditures on Indigenous Australians by both Commonwealth and State/Territory Governments (and local government where possible), whether from Indigenous-specific or mainstream funding programs. It is intended to provide governments with a better understanding of the level and patterns of expenditure on services which support Indigenous Australians, and to provide policy-makers with an additional tool to target policies for closing the gap in Indigenous disadvantage.

quality services and acceptable outcomes for Indigenous people. This should be so whether the programs are funded by the Commonwealth or the States and Territories, and whether they are delivered directly by government itself or by non-government organisations or in other partnership arrangements.

The role and significance of mainstream programs will vary by location, depending largely on issues of availability of and access to services. For Indigenous people living in urban and regional Australia, mainstream programs should be the regular and preferred delivery mechanism unless there are compelling reasons to the contrary.

Indigenous-specific programs and services

There may be a case to maintain or continue an Indigenous-specific funding program where one or more of the following considerations apply:

- the program responds to Indigenous needs which are materially different (quantitatively or qualitatively) from the needs that can reasonably be served by the corresponding mainstream program. In some cases the response may provide supplementary services working in synergy with the mainstream while in others they may provide features and flexibility to better meet local indigenous needs;
- the program aims to accelerate the pace at which its stated objectives can be achieved through the relevant mainstream programs;
- cultural appropriateness is a priority consideration not able to be met through mainstream mechanisms;
- innovation, particularly at the local level, is a key requirement;
- targeted intervention is necessary because of market failure; or
- wider government policy considerations merit the continuation of the program.

The assessments made in these respects will often involve 'on-balance' judgements, and may also vary over time. In some cases, for example, there may be grounds to continue an Indigenous-specific program for a defined period (e.g., until certain threshold requirements have been met), even if the appropriate and desirable long-term objective may be to incorporate the program into the mainstream. In all cases, performance and effectiveness should be key considerations: in particular, there should be an assurance that any Indigenous-specific program:

- will at least meet mainstream service and quality standards (allowing for any necessary period of transition);
- will be delivered efficiently;
- is of sufficient scale (or suitably scalable) as to have a material outcome; and
- will be managed in a way that avoids undue complication or confusion of accountability for the delivery of mainstream services.

Termination of programs

There can be a case to terminate an Indigenous program (or absorb it within a mainstream program) where one or more of the following conditions apply:

- there is evidence that the program is ineffectual (or alternatively no clear evidence, after a reasonable period of time, that the program is meeting its objectives);
- the program is not cost-effective (with costs outweighing benefits);

- the program duplicates or overlaps with other programs with closely related objectives, creating potential confusion as to roles and responsibilities and/or inefficiencies in overall service delivery;
- the program encourages cost-shifting by existing mainstream or other Indigenous-specific programs, or allows a mainstream provider to relinquish its responsibilities; or
- delivery of the program involves a high level of complexity or red tape that significantly detracts from the amenity of the service being delivered.

Once again, the assessments made in these respects will often involve 'on-balance' judgements, informed by knowledge of the history of the program and the context in which it has been operating. A key constraint in many cases is the dearth of robust evaluation evidence on the performance and cost-effectiveness of individual programs (see Chapter 10).

Program rationalisation (consolidation or broad-banding)

There can be a case to consolidate or broad-band Indigenous programs where this results in one or more of the following benefits:

- greater program effectiveness and/or operating efficiency;
- improved coordination and cooperation within or across agencies;
- simplified administration and lower overhead costs;
- increased flexibility (examples include greater flexibility to reorder funding priorities within a broader program allocation and flexibility to better meet local needs without unduly affecting overall program accountability and outcomes);
- a reduction in red tape;
- a more coherent customer service; or
- improved accountability.

The new Indigenous Employment Program (IEP), introduced on 1 July 2009, represents a significant recent example of program rationalisation. The Review has identified a number of opportunities to consolidate or broad-band Indigenous programs both within particular agencies and, in some cases, across agency and portfolio boundaries.

Consolidation of programs does not preclude retaining high profile sub program elements and regular announcements of achievements, new project initiatives, etc

Capacity-building

Program management and implementation strategies should serve to build the capacity of both Indigenous communities and government agencies by:

- engaging effectively with Indigenous people, and strengthening the partnership between communities and agencies;
- promoting effective governance and leadership at the community level;
- valuing and building individual and community esteem and taking account of indigenous cultural imperatives, including connection with the land;
- establishing a government presence in key communities, both in the interests of more effective engagement and as a means of informing program policy and service delivery;

- growing Indigenous employment both within government and in the delivery of government services;
- providing incentives for the delivery of high-quality services;
- facilitating the transfer of knowledge and skills to Indigenous people (such that the benefits of the program extend beyond the life of the program itself); and
- strengthening capacity within government through improved professional training and by developing effective career paths in Indigenous policy and service delivery.

Priorities for support

For available funding to be used to best effect, priority should be given to:

- programs which maximise the likelihood of success in achieving key strategic objectives (such as the *Closing the Gap* targets and the goals of the RSD strategy);
- programs and funding mechanisms which take a long-term view (e.g., by focussing on the young);
- programs which can be patient and supportive of enduring change (including in the attitudes, expectations and behaviours of those assisted);
- programs which are evidence-based, build upon past experience (including evaluation findings) and minimise disruptive change; and
- programs which can leverage funding and support from other parties (e.g., industry, State/ Territory Governments, philanthropic organisations, and the not-for-profit sector).

Transitional arrangements

Any changes to current program arrangements should be subject to an orderly process of planning and transition which has regard to:

- current government commitments;
- legislative requirements;
- existing contractual obligations (e.g., with service providers); and
- the need for consultation and transition planning with the Indigenous community and organisations likely to be affected by change.

Principles for developing future program proposals

The Review has also considered the need for some principles to guide the development of any new Indigenous-specific funding programs and to improve the quality of assessment of new policy proposals (NPPs) in the Budget context. The aim here would be to ensure that any Indigenous-specific programs introduced in future Budgets are sound in their underlying assumptions, robust in their design, consistent with the principles endorsed by COAG, and stand a good chance of meeting their objectives over time.

Under the current framework for the consideration of NPPs, all proposals involving expenditure are required to include an evidence-based assessment of the proposal against a set of *Expenditure Review Principles*.⁵¹ The *Expenditure Review Principles* are fairly broadly

⁵¹ Department of Finance and Deregulation 2009, *Estimates Memorandum 2009/49: 2010-11 Budget Timetable and Budget Process Operational Rules*, Department of Finance and Deregulation, Canberra.

cast, requiring assessments to be conducted against the criteria of appropriateness, effectiveness, efficiency, integration, performance assessment and strategic policy alignment. No special requirements apply to the assessment of Indigenous-specific proposals, even in the case of proposals submitted as part of the Single Indigenous Budget Submission (SIBS) process; for example, there is no requirement to demonstrate why a new Indigenous-specific program is necessary, why an existing mainstream or Indigenous program could not be used or adapted for the purpose, or how the proposal accords with the COAG service delivery principles, or advances the COAG targets.

The Review has formed the judgement that the current NPP framework has been less than fully effective in assuring the quality and rigour of Indigenous-specific program proposals in recent years. Too many proposals of limited quality or priority have survived the assessment process and been recommended and approved for funding. Even where the objectives of a proposal have been clear and compelling, a common failing has been a lack of realistic assumptions and an absence of clear program logic: in some cases, for example, the scale and timetable for a program have been poorly matched to the nature of the needs to be met, while in others unrealistic assumptions have been made as to the relationships between program inputs and intended outcomes (including how people and institutions will react to the establishment of the program and how other factors may intervene, sometimes with unintended consequences). There is a need for greater rigour in the future.

Against this background, the Review has developed a set of principles which could be used to inform the development of any new Indigenous-specific program proposals in future Budgets (Attachment C). The principles are consistent with the *Expenditure Review Principles* used currently for the assessment of NPPs, but go beyond them in a number of significant respects; for example, there are specific requirements to address the issues of program logic, scale and timeframe, engagement with Indigenous people, proposed service delivery arrangements and opportunities for Indigenous employment. The underlying presumption is that the providers of mainstream programs and services should be held accountable for delivering high-quality, culturally effective services which deliver effective outcomes for Indigenous people, and that strong justification is therefore needed to establish a new Indigenous-specific program to operate in parallel with, or as a complement to, mainstream services.

An important question arises as to how these principles, if adopted, should be applied in practice, both in informing the development of NPPs at the agency level and in making judgments on the quality of proposals submitted for consideration in the Budget context.

On the first issue, the Review suggests that the Department of Finance and Deregulation (Finance) should issue formal advice to agencies, by way of an Estimates Memorandum or similar, requiring that any new Indigenous-specific funding proposals should be developed having regard to the principles (as endorsed or varied) and should be able to demonstrate, in documented form, their consistency with those principles. This should offer a higher level of assurance than currently exists that any new Indigenous-specific NPP will be realistic in its assumptions and sound in its design.

On the second issue – the assessment of Indigenous-specific NPPs submitted for consideration in the Budget context – the Review has examined a range of options. One

option would be to institute a 'gateway assessment process', similar to the arrangement which currently applies to NPPs with a substantial ICT component, whereby the agency sponsoring an Indigenous-specific funding proposal would need to submit a copy of its assessment against the principles for independent scrutiny and verification by a central agency (most obviously Finance). A simpler and less onerous option would be to incorporate into the NPP template for Indigenous-specific NPPs two short additional questions:

- a question asking the sponsoring agency to confirm that the proposal has been developed in accordance with the principles, and that a documented assessment against the principles can be made available on request; and
- a question asking for explanation as to why a new Indigenous-specific program is necessary, including why an existing mainstream or Indigenous program could not be used or adapted to meet the stated objectives of the proposal.

On balance the Review favours the second option as likely to be simpler and more workable, and recommends accordingly (see Recommendation 82, Chapter 6). If new arrangements are implemented along these lines they should be reviewed for effectiveness within two years and amended or refined as necessary.

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CHAPTER 5.1: EARLY CHILDHOOD DEVELOPMENT

The importance of early childhood development to the Indigenous reform agenda

There is a wealth of international and emerging domestic evidence demonstrating that the early childhood years (0–4 years⁵²) are of critical importance for establishing the foundations for lifelong health, learning, language and behaviour, and securing positive social, economic and cultural outcomes⁵³. Early Childhood is one of COAG's Building Blocks.

Early childhood, including during pregnancy, is a highly sensitive period for brain development. The interplay between genetic and environmental factors during this phase produces long term effects on the structural development of the child's brain including embedding future biological responses and personal and social behaviours.

Reducing risk factors – such as poor maternal health, low birth weight and poor diet, abuse and neglect, exposure to violence, harsh and inconsistent discipline, insecure attachment, living in households where adults abuse alcohol, tobacco and other drugs (especially during pregnancy), living in poverty – and promoting protective factors – such as secure attachment, breastfeeding, good nutrition and physical activity, stimulating play-based learning experiences – are known to support children and their families to have the best start in life and create healthy, happy and resilient futures for themselves.

Moreover, there is strong evidence, although largely derived from international experiences, that targeted investments using well designed interventions can make a difference, with the greatest benefits⁵⁴ flowing to the most vulnerable and marginalised children⁵⁵.

With a very young population (37 per cent of Indigenous Australians aged are under 15 years compared with 19 per cent of the non-Indigenous population⁵⁶), slow or no success here will have continuing negative effects in efforts to meet other *Closing the Gap* targets.

⁵² Note, the *National Early Childhood Development Strategy* covers young children aged 0 – 8 years. The Review has chosen to focus discussion in this report on Indigenous children aged 0 – 4 years due to the evidence of the criticality of this 'early' childhood age..

⁵³ See COAG 2009: *Investing in the Early Years – A National Early Childhood Development Strategy* for summary of evidence on early childhood development, including on effectiveness of interventions to improve early childhood outcomes.

⁵⁴ Committee for Economic Development, *The Economic Promise of Investing in High-Quality Preschool*, 2006; A Rolnick & R Grunewald, *Early Childhood Development: Economic Development with a High Public Return*, 2003; J Heckman & D Masterov, *The Productivity Argument for Investing in Young Children, Working Paper 5*, Chicago, 2004; Committee for Economic Development; Isaacs j, *Impacts of Early Childhood programs*. Massachusetts, 2008.

⁵⁵ J Brooks-Gunn & L Markham, *The contribution of parenting to ethnic and racial gaps in school readiness, The Future of Children* 15, 2005; J Shonkoff & D Phillips, *From Neurons to Neighborhoods: The Science of Early Childhood Development*, Washington, 2000; J Watson & L Tully, *Prevention and early intervention update – trends in recent research*, 2008.

⁵⁶ Australian Bureau of Statistics, *Population Distribution, Aboriginal and Torres Strait Islander Australians*. ABS, Canberra, 2007.

The COAG targets

Two of the six *Closing the Gap* targets are relevant to early childhood outcomes:

- to halve the gap in mortality rates for Indigenous children under five within a decade; and
- ensuring all Indigenous four year olds in remote communities have access to early childhood education within five years.

Based on current projections, there is hopeful progress towards achieving the target for Indigenous childhood mortality, whilst achieving the target for access to early childhood education will require a rapid acceleration of Indigenous enrolment rates from 2010 and beyond to achieve this target, as the following figures reveal.

Figure 5.1.1.

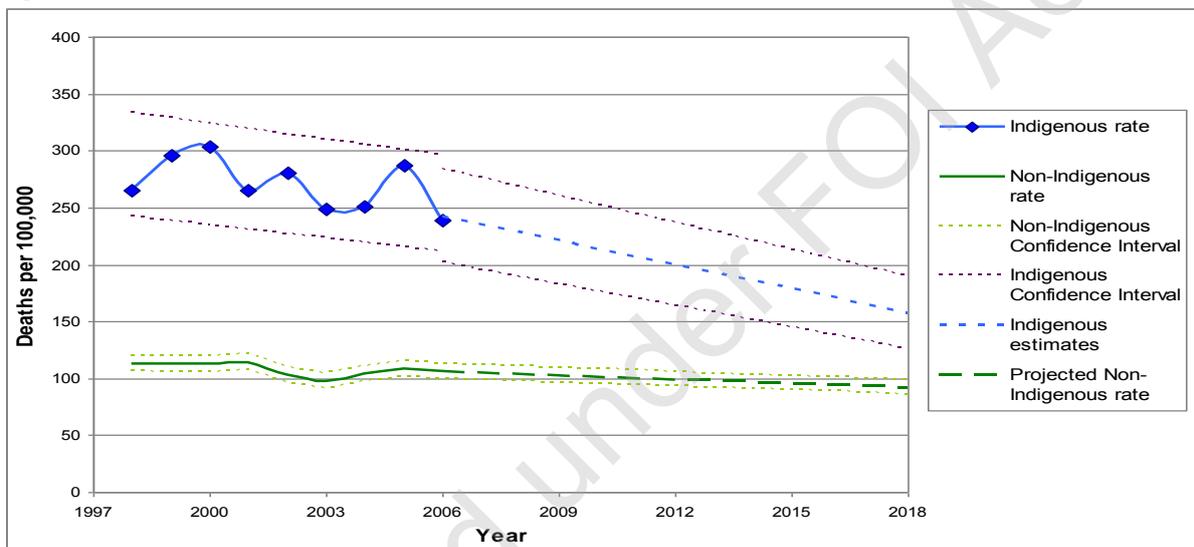


Figure 5.1.1: Estimated Improvements in Child Mortality Rates Aged 0-4 years by Indigenous status, New South Wales, Queensland, Western Australia, South Australia, and the Northern Territory 1998-2018. Source: AIHW National Mortality Database, 2006

Figure 5.1.2.

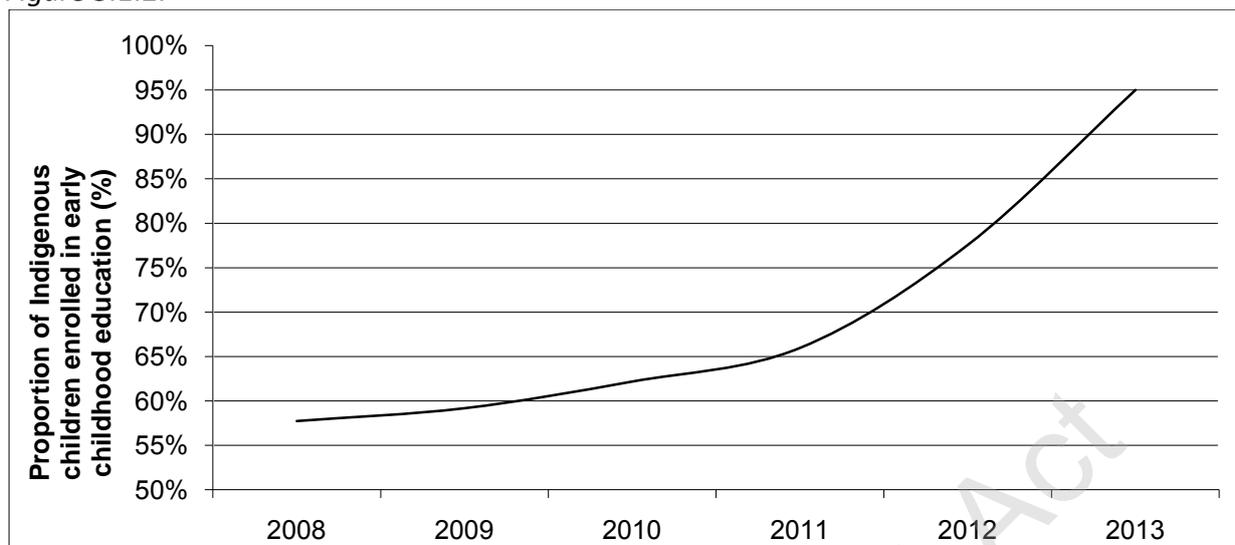


Figure 5.1.2: Indigenous preschool participation rates and projected growth required to reach universal access by 2013. Source: DEEWR, 2009

There have been some improvements in Indigenous early childhood outcomes in recent years, especially those stemming from increased access to child and maternal health services⁵⁷:

- Indigenous infant mortality declined by 47 per cent and perinatal mortality by over 50 per cent between 1991 and 2005-06;
- immunisation rates of Indigenous and non-Indigenous children by age two (91 per cent compared with 93 per cent) are almost comparable; and
- access to antenatal care is high at 96 per cent compared to 99 per cent for non-Indigenous women, with little variation by remoteness, but (of continuing concern) occurs later and less frequently than that for other women.

Despite these (albeit limited) signs of promise, there are many areas where major gaps in outcomes are still evident⁵⁸:

- rates of maternal smoking are very high (52 per cent cf 16 per cent);
- rates of breastfeeding are lower (79 per cent cf 88 per cent), with these rates varying significantly by location (85 per cent of Indigenous children aged under 6 years in remote being breastfed compared with 56 per cent in non-remote regions);
- low birth weight among Indigenous babies is more than twice as common (13 per cent cf 6 per cent);
- ear or hearing problems are more prevalent in Indigenous children under 14 years (10 per cent) compared with other children (3 per cent), with variations by

⁵⁷ See Australian Health Ministers' Advisory Council, *Aboriginal and Torres Strait Islander Health Performance Framework Report 2008*, Canberra, 2008; and Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, Canberra, 2009.

⁵⁸ See Australian Health Ministers' Advisory Council, *Aboriginal and Torres Strait Islander Health Performance Framework Report 2008*, Canberra, 2008; and Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, Canberra, 2009.

location (in remote areas, 13 per cent report ear or hearing problems of 8 per cent in non-remote areas);

- rates of substantiated child abuse and neglect are more than five times the rate for other children (32 per 1,000 cf 6 per 1,000);
- at June 2007, there were 7,301 Indigenous children (0-17 years) on care and protection orders, an increase of 155 per cent since June 1998;
- the Australian Early Development Index (AEDI)⁵⁹ reveals Indigenous children are the most developmentally vulnerable in one or more domains (47.3 per cent cf 22.3 per cent); and
- in 2006, indicative figures⁶⁰ suggest that Indigenous children across all regions participated in preschool at lower rates (58 per cent) than non-Indigenous children (70 per cent), with Indigenous participation rates ranging from 49 per cent in major cities and regional areas to 88 per cent in remote locations. These estimates vary by jurisdictions with participation ranges in major cities and regional areas from 17 per cent in Qld and 44 per cent in NSW to 96 per cent in WA and 90 per cent in SA, and rates in remote areas from 65 per cent in Qld and 81 per cent in NT to 100 per cent in NSW, SA and WA.

In summary, major disadvantage continues and significant gaps persist.

Policy environment

Early childhood has been undergoing active policy reform in recent years, with a suite of recent initiatives and COAG commitments in early childhood development (ECD), including for Indigenous children. These developments would be expected to contribute significantly to positive impacts for Indigenous children, especially those designed to drive enhanced access to and improved quality of services more broadly, combined with those interventions by mainstream service providers that are expected to target more vulnerable and marginalised children.

Mainstream developments

Five key mainstream developments provide a supportive context for the Indigenous specific initiatives, including those by COAG.

COAG National Early Childhood Development Strategy

In July 2009, COAG agreed to a collaborative effort to ensure that *'by 2020 all children have the best start in life to create a better future for themselves and for the nation'* by focussing on seven outcomes:

- children are born and remain healthy;
- children's environments are nurturing, culturally appropriate and safe;
- children have the knowledge and skills for life and learning;

⁵⁹ Centre for Community Child Health and Telethon Institute for Child Health Research, *A Snapshot of Early Childhood Development in Australia – AEDI National Report 2009*, Commonwealth Government, Canberra, 2009.

⁶⁰ DEEWR internal advice, based on 2007 National Preschool Census, ABS population data and internal analysis.

- children benefit from better social inclusion and reduced disadvantage, especially Indigenous children;
- children are engaged in and benefiting from educational opportunities;
- families are confident and have the capabilities to support their children's development; and
- quality early childhood development services support the workforce participation choices of families.

COAG has agreed on a number of areas for action to achieve these outcomes: support for children, parents, carers and communities; responsive early childhood development services; workforce and leadership development; quality and regulation; infrastructure; governance and funding; and knowledge management and innovation. Appropriately, Indigenous children and their families are a prominent target group within this strategy, along with other vulnerable and marginalised groups, and could be expected to benefit from this framework provided that it is implemented effectively and sensitively. The strategy promotes integrated service models that provide a mix of universal, targeted and intensive services across maternal, child and family health, early childhood education and care, and family support.

No new funding is identified to support its implementation. Rather its success will depend on leveraging existing commitments and programs; it does however acknowledge a broader suite of priority areas for investment for further consideration by COAG.

COAG National Partnership Agreement on Early Childhood Education

In November 2008, COAG endorsed a *National Partnership Agreement (NPA) on Early Childhood Education (ECE)*, to ensure all children in the year before formal schooling will have access to a quality early childhood education program by 2013. This NPA provides \$970 million over five years, including \$955 million to States and Territories. This will support the implementation of the key objectives of the NPA, including removing barriers to participation, and ensuring cost is not a barrier to access, especially for Indigenous children. The NPA also commits to the development of an *Indigenous Universal Access Strategy*.

This NPA is the primary vehicle through which the *Closing the Gap* target of ensuring all Indigenous four year olds in remote communities have access to early childhood education within five years will be achieved.

COAG National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care

At present, variable treatments apply across different States and Territories for ECEC in terms of regulation, workforce, licensing and administrative arrangements. Families also do not have access to consistent information about the quality of care available to their children so that they can make well informed decisions and choices. In recognition of this mottled landscape and the associated compliance burden, COAG agreed on 7 December 2009 to a National Quality Agenda for ECEC. This Agenda seeks to address this diverse landscape by introducing:

- nationally consistent standards covering inter alia programs and practice, infrastructure, and staffing (qualifications and staff: child ratios);

- a quality ratings system;
- streamlined regulatory arrangements; and
- an *Early Years Learning Framework* (agreed by COAG for implementation from July 2009).

The NQA should deliver significant benefits for Indigenous children and their families, with improvements in quality ECEC services expected, once fully implemented.

Options for implementation of the NQA, based on the COAG Consultation Regulation Impact Statement, are currently subject to public consultation. Decisions on final arrangements are expected to be considered by COAG in 2010. Implementation is anticipated to involve transition plans specific to each jurisdiction spanning several years.

COAG National Framework for Protecting Australia's Children 2009-2020

In April 2009, COAG agreed to this National Framework endorsing existing Commonwealth/State responsibilities in child protection and acknowledging that '*protecting children is everyone's business*'.

More information on this Framework is contained in the Families, Communities and Child Protection section of this Report.

Child Care Market Review

A confidential review of the child care market was completed in December 2009. It was prompted by increasing child care fees, supply issues, and the recent collapse of a major market provider. This review focuses on three areas of reform: regulation; payments; and social inclusion.

Key findings are:

- while high quality child care is particularly beneficial for children from socially disadvantaged groups (including Indigenous children), these children continue to be under-represented in child care. Addressing this issue requires more effective approaches to targeting assistance;
- while supply of child care seems to be adequate in aggregate, demand is highly localised and parents can have specific needs or preferences for particular types of care that are not currently met. Better data on availability would assist government in its oversight of the market;
- achieving greater integration between different forms of early childhood education and care (ECEC) is a major challenge;
- the collapse of ABC Learning suggests that there is a significant level of business risk in child care. This highlights the need for better regulation to reduce the likelihood of a future large insolvency; and
- payment reform is desirable to offset the cost of the *National Quality Agenda* (NQA) and other measures. Assistance should be targeted more towards those on lowest incomes as well as to better balance affordability and access for parents.

Proposals developed through the review will be considered in the 2010-11 Budget process.

Indigenous-specific developments

COAG National Partnership Agreement on Indigenous Early Childhood Development

In July 2008, COAG endorsed the first of its formal Indigenous-specific agreements which provides \$564 million over six years towards the following outcomes:

- Indigenous children are born and remain healthy;
- Indigenous children have the same health outcomes as other Australian children;
- Indigenous children acquire the basic skills for life and learning; and
- Indigenous families have ready access to suitable and culturally inclusive early childhood and family support services.

This NPA focuses its investments in three priority areas where the evidence shows that a high level of impact can achieve improved outcomes for Indigenous children:

- 35 (minimum) Child and Family Centres to integrate delivery of antenatal care, child and maternal health, parenting and family support, and early learning and care. (\$292 million to States and Territories);
- increased access to antenatal care, pre-pregnancy and teenage sexual and reproductive health (\$107 million to States and Territories); and
- increased access to, and use of, maternal and child health services for Indigenous families (\$90.3 million from *New Directions: Mothers and Babies Services*, plus \$75 million co-contribution from States and Territories).

Current program arrangements

The Review has identified 21 Commonwealth Indigenous programs that contribute to the Early Childhood domain involving total funding of over \$110.8 million in 2009-10, and \$427.8 million over the four years to 2012-13. Administration is shared across DoHA, DEEWR and FaHCSIA. Summary information on each of these programs is at [Attachment E](#), with key characteristics outlined below.

Child and maternal health

Child and maternal health programs aim to improve and maintain good health and wellbeing for Indigenous mothers and their children through access to quality antenatal care, postnatal health care and advice to mothers and their children; health promotion information and education; regular health and development checks for children; targeted treatment and care for acute and/or chronic illness and disease for mothers and children; and referral (where needed) to specialist medical care, allied health and other drug, housing or welfare services.

The cluster of Indigenous-specific child/maternal health programs operate from a range of primary health care settings - Aboriginal Medical Services, general practitioners, and State and Territory (where relevant) primary health care services and community health clinics. The programs are relatively new initiatives, dating from the 2005-06 Budget, and comprising \$31.8 million in 2009-10. They provide generic child/maternal health services, with two

targeted programs addressing rheumatic health disease and a small scale adaptation of the Nurse Family Partnership⁶¹ model of intensive nurse home visiting for Indigenous families.

These initiatives are supplementary to mainstream child/maternal health services that are funded through a combination of *Medicare*, private health insurance, and/or patient co-contributions; with State and Territory services being funded through the *National Health Care Agreement*, NPAs and state treasuries.

While there is no specific data on Indigenous use of child/maternal health services, it is known that around 60 per cent of Indigenous peoples use mainstream primary health services such as a GP, around 30 per cent use Aboriginal Medical Services, and around 10 per cent use hospital based services or have no regular health care provider⁶². It is assumed that this usage pattern applies to child/maternal health services offered within these settings.

Early Childhood Education and Care (ECEC)

ECEC services seek to ensure children have access to support, care and education throughout early childhood that equips them for life and learning, delivered in a way that actively engages families and communities, and meets the workforce participation needs of parents. ECEC services include preschool and child care.

The mainstream ECEC sector operates in a developed market of both Not-For-Profit ECEC services and For-Profit ECEC services. ECEC services functioning in the child care market derive their financial viability from a combination of Government subsidies - *Child Care Benefit* (CCB) and *Child Care Rebate* (CCR) - and service fees paid by families.

The Indigenous-specific programs in this grouping include two main clusters:

- Indigenous specific Non-Mainstream or *Budget Based Funding* (BBF) Children's Services which operate in those regions and/or for those priority populations where the child care market is considered not to function well; and
- Indigenous specific *Preschool* initiatives.

In general, BBF Services operate separately and in parallel to the mainstream market. They are not eligible to administer CCB or CCR as they are largely unlicensed. Their operation is funded directly by the Commonwealth Government. The BBF programs date from the mid 1970s, when they were originally known as the *Special Services Program* which was a component of the *Children's Services Program*. They include crèches, mobile child care services, multifunctional Aboriginal children's services, outside school hours care, flexible and innovative services. Funding for JET crèches commenced in 1989. These diverse programs were consolidated, administratively, under the BBF program in 2003. Presently, they include over 200 (largely) Indigenous specific services operating across Australia, with some 60 per cent of these operating in remote/very remote regions.

⁶¹ Australian nurse-Family Partnership Program, Commonwealth Government, 2009, viewed 29 January 2010, <www.anfpp.com.au>.

⁶² Australian Bureau of Statistics, *National Aboriginal and Torres Strait Islander Social Survey*, ABS, Canberra, 2006.

In 1997, the Commonwealth commenced funding a number of Indigenous preschool initiatives which provided additional staffing, resources and professional support to government and non-government pre-schools to accelerate educational outcomes for Indigenous children. These programs are earmarked for transition to States and Territories under the *NPA on ECE* in 2011, and negotiations have commenced in this regard.

Family support

The *Indigenous Children Programme* was formed in 2006 by merging the previously funded Aboriginal Islander Child Care Agencies and the *Indigenous Parent and Family Wellbeing* programs. In 2009-10, \$5.49 million was provided to: support the wellbeing of children; build culturally strong parenting skills and support for families; and build stronger and more sustainable Aboriginal and Torres Strait Islander families and communities.

Playgroups provide an opportunity for parents and caregivers to develop social and support networks to assist with effective parenting skills, confidence and self-esteem. They also provide an opportunity for children to learn through play and develop their social, emotional, cognitive and physical skills.

Indigenous Parenting Support Services was a 2007 election commitment and aims to strengthen parenting skills and support the development, learning and well being of Indigenous children, and pro-actively address social, cultural, personal, historical, and financial and health factors that can present barriers to effective parenting. They are integrated into existing platforms such as child care centres, schools, Aboriginal Medical Services and other related services.

Assessment of current program arrangements

Some significant issues are readily identifiable when reviewing these Commonwealth early childhood development programs, both as individual initiatives, as program clusters, and as whole-of-government activity, as set out below.

Improving service integration and linkages

The above three key groupings of early childhood service themes – child/maternal health, early childhood education and care, family support – are recognised as each playing a key role in improving outcomes - the evidence strongly supports this. The evidence⁶³ also points very persuasively to the synergistic effects that can be realised, especially for the more vulnerable and marginalised families and children, from better integration of early childhood policy and services – this is acknowledged in the *National ECD Strategy*. These integration efforts can occur at a number of levels, with effective action at one level cascading towards improved services and outcomes:

- whole of government policy integration and coordination;
- regional and local planning and integration; and

⁶³ See the following paper for a summary of the integrated early childhood service models and their evidence. T Moore, et. al., *Evaluation of Victorian children's centres: Literature Review*. Melbourne, prepared for Office for Children and Early Childhood Development, Victorian Department of Education and Early Childhood Development, Melbourne, 2008.

- service delivery integration.

Within the service delivery layer, an *integrated service model* can function along a continuum:

- *cooperation* – low intensity, low commitment to sharing information (networking);
- *coordination* – medium-intensity, medium commitment to joint planning and coordination (regional planning/coordination forum);
- *collaboration* – high-intensity, high commitment to joint planning, sharing some resources and sharing service delivery; and
- *integration* – complete merging of services to form integrated entity.

Each of these models can also involve forms of in-reach/out-reach service delivery into other settings.

The Commonwealth has made some recent gains in policy coordination - examples include the *National ECD Strategy*, establishing the Office of Early Childhood Education and Care within DEEWR and the whole of government coordination forum (Deputy Secretaries Group on Support for Young Children and their Families). There has been less progress in improving cooperation in service delivery (including with States and Territories). Notable exceptions to this include:

- The Victorian and South Australian Governments have led innovation in policy and service innovation, including demonstrating on-the-ground integrated service delivery models, as a mainstream early childhood initiative; and
- Funding for 35 Child and Family Centres, as part of the NPA on Indigenous ECD, will provide an opportunity to learn how different forms of integrated service can be planned, delivered and evaluated, specifically for Indigenous children, including trialling approaches in joint Commonwealth/State and Territory service delivery.

While there are many complexities, the Review has concluded that there would be benefit in a sharper focus on integrated approaches to regional/local planning and service delivery. This can be achieved by:

- maintaining a whole-of-government coordination forum to address the recommendations in this Review; and
- realising greater synergies from the current and future program mix and service clusters:
 - new services, whether child/maternal health, ECEC or family support or combinations, should take a collaborative approach (across governments and programs) to site selection to better build on existing services and plan for effective program linkages and service networking;
 - existing services need to work closely together to deliver a (more) seamless and holistic service platform for Indigenous families; and
 - funding agreements should ensure ECD-related services establish and maintain service linkages and networks, develop reciprocal protocols for a ‘supported’ referral pathway between services, and actively cooperate for the benefit of Indigenous families and their children.

RECOMMENDATIONS

1. A more coordinated approach should be taken to service planning and delivery of program support for Indigenous early childhood development. New arrangements should encourage the development of welcoming and integrated service gateways for expectant mothers and families with young children in ways which assist those families' access to available services.
2. DEEWR and the Deputy Secretaries Group on Support for Young Children and their Families should lead coordinated and integrated policy and program delivery for this target group and take a collaborative approach to developing new/existing services utilising service delivery plans and networks.

Mainstream services must play a key role

Given the quantum of overall expenditure involved in funding for mainstream services, these programs and services must also take responsibility for delivering a comprehensive, effective, and culturally acceptable service to the Indigenous families in their catchment area. The absence of any reliable data on mainstream ECD service usage by Indigenous families speaks to the lack of attention to this client group in mainstream services.

A simple contractual requirement - such as reporting disaggregated outcomes for Indigenous families - would provide a spotlight to these issues and the impetus for providers to (re)think their current service activities and look for creative ways to reach out and engage with the more marginalised and isolated families in their catchment.

It is however acknowledged that effectively engaging and retaining Indigenous families within a (mainstream) service clientele is more complex than mere good will and (possibly, superficial) government reporting requirements. It also requires leadership, thoughtful planning, ongoing community consultation, high quality service provision, and skilled and welcoming staff. Indigenous staff within mainstream services can be a vehicle for achieving this engagement and service responsiveness. Indigenous staff are also a source of cultural learning and education for their non-Indigenous colleagues. However, this role can be demanding, especially where Indigenous staff may feel isolated, unsupported and/or the organisation remains unresponsive to change and feedback.

Actions under the *National ECD Strategy*, and its supporting architecture, must give attention to ensuring that mainstream services are accountable for Indigenous outcomes.

Risk of structural divide between 0-4years and 5 years plus

At present, an appropriate focus on ECD (and the program mix in this space) lacks any strong linkages with education sectors for children five years and older and their families.

Successful transitions to formal schooling can be a major challenge for Indigenous children and their families. States and Territories administer (most) pre-schools plus the formal public schooling systems. Those Indigenous children attending state-run preschools will have a more natural articulation, and hopefully successful transition, into school (where

public schools are their choice). Many of these state-run preschools are now being co-located within public primary schools to aid this transition. For all children, especially those Indigenous children in other (non-government) early childhood education systems, it is important that both early childhood providers and schools work together to facilitate a successful transition to this important new phase of the child's life – a 'supported referral' facility is desirable whereby local early childhood education services and schools actively support and welcome families in making informed choices and transitions.

'No wrong door' but lost opportunities prevail

In seeking to improve the service response and outcomes for vulnerable children and their families, the *National ECD Strategy* aims to establish a multi-dimensional service platform of universal, targeted and intensive early childhood and family support services, offering multiple entry points for families. This is expressed as a commitment to 'no wrong door'.

However, the opportunities inherent in the provision of antenatal and child/maternal care are not being taken advantage to the extent possible. For many women, antenatal care is their earliest source of formal service engagement, at a point in their life - pregnancy - where women (and their partners) are most open to advice, guidance and support. Almost all Indigenous women access antenatal care during their pregnancy (96 per cent), although not as early as desired⁶⁴. Postnatal care and child health services are also heavily patronised, evidenced by high rates of immunisation for Indigenous children at two years of age.

Under the *NPA on Indigenous ECD*, the Commonwealth is also providing \$107 million to States and Territories for antenatal care and sexual/reproductive health services. This funding provides States and Territories with a further opportunity to utilise antenatal/postnatal care service platforms in this way.

More needs to be leveraged from this core service platform and women's existing connections with child/maternal health services. While acknowledging the need for 'no wrong door' - including improving the capacity and awareness of workers in adult services that address possible risk factors for child abuse and neglect (e.g. mental health, substance use, housing) - this policy is best regarded as a backup rather than a preferred doorway.

RECOMMENDATION

- 3.** Departments should expand the use of antenatal care and child/maternal health service platforms as an effective gateway for encouraging families with Indigenous children to access available programs.

⁶⁴ In NSW, 53 per cent of Indigenous women access antenatal care during their first trimester cf 63 per cent of other mothers; in NT, 35 per cent of Indigenous women access antenatal care in their first trimester cf 54 per cent for other mothers. See AHMAC. 2008. *Op cit*.

Impacts of NQA for Indigenous children's services and affordability of ECEC for Indigenous families

The NQA should deliver significant benefits for Indigenous children and their families, once fully implemented. Recent data from the Australian Early Childhood Development Index demonstrates that Indigenous children are the most developmentally vulnerable in one or more domains in Australia. As part of the NQA, nationally consistent standards covering *inter alia* programs and practice, infrastructure, and staffing (qualifications and staff: child ratios) will apply to all licensed operators.

At present, BBF children's services are exempt from the first wave of implementation of the NQA. It is acknowledged that this BBF cluster will face substantial challenges in meeting these new quality standards. Current estimates are that 70 per cent have substandard or unsafe infrastructure and 50 per cent of carers have no formal qualifications.

To meet the NQA standards, BBF services will require a well developed transition strategy based on an analysis of community needs in relation to the quality gaps and funding to support the strategy. It is not acceptable to continue with second best standards for these services and nor is acceptable to discontinue them - many of these services are the only children's service in their region and have been operating for many years or even decades.

An added complication is the potential impact of higher quality on ECEC fees paid directly by families. Indigenous families may face further financial barriers to access quality ECEC. The *ECE NPA* commits to ensuring cost is not a barrier to access, including for Indigenous families. The Commonwealth has provided \$955 million to States and Territories to meet this goal. A formal review of this *ECE NPA*, including of funding levels, is scheduled to be conducted after 18 months, that is, from mid 2010.

RECOMMENDATION

- 4.** A BBF Transition Strategy should be adequately funded (for transition to National Quality Agenda standards) and be linked with the child care proposals being developed following the Child Care Market Review.

Focussing on effectiveness, performance, and sustainability

Effectiveness

One of the strengths of work on policy and program design of early childhood services, certainly by comparison with most of the other functional groups being examined in this Review, is that it is reasonably well informed by rigorous evaluation evidence. Even in that respect, however, there is a deficiency in that most of that evidence comes from international experience that has still to be proven in its application to delivery of programs and services for Indigenous Australians.

Another qualification is that evaluation evidence is usually specifically related to particular service models and there should be caution in claiming similar results for variations to those

models. Even so, there may be sound reasons for departing from a 'proven' model - such as the unique needs of the target group, feedback from community consultations, particular service settings and infrastructures, geography, etc.

One rationale often put forward for changed arrangements relates to resource constraints and the desire to eke more from limited funds. In this context, it is important to remember that in some circumstances 'dosage matters' - giving a sick child only half of their prescribed medication for a serious illness would only lead to antibiotic resistance and then to more serious illness. However, in government program areas, we often attempt to replicate a proven intervention with less infrastructure, staffing, support and/or resourcing yet expect similar outcomes.

- A case where such caution may be warranted is in the funding of 'playgroups' for Indigenous families. Currently over \$9 million per annum is directed towards playgroup programs offered by both FAHCSIA and DEEWR. However, evaluations⁶⁵ of playgroups on their impact for marginalised families show positive parental engagement in their children's learning where playgroups were supported by a trained and qualified facilitator with additional capacity to engage and integrate other services and to facilitate early intervention strategies, with playgroup sessions conducted at least weekly (preferably bi-weekly). There is reason to doubt whether lower cost models deliver these results, and evaluation is urgently required to assess the value of current programs.

From several perspectives, therefore, priority needs to be given to rigorous evaluation of the Commonwealth's early childhood programs. This work also needs to assess the way in which the portfolio of programs interact and the way in which service delivery arrangements also impact on program outcomes (**see Recommendation 6.3**).

Performance framework

In addition to the preceding discussion of evaluation and effectiveness issues, there is also a need for relevant Commonwealth agencies to develop a common performance framework covering all funded programs in this area. While acknowledging that each of the program clusters – child/maternal health, ECEC, and family support – have different service funding formulas, inputs and outputs, they should all be focussed on delivering common or complementary outcomes for Indigenous families that are linked to the COAG *Closing the Gaps* targets.

This work should form part of the performance framework being developed under the *National ECD Strategy*, along with States and Territories and as part of the *National Early Childhood Education and Care Information Agreement*. A role for the Australian Early Development Index should also be explored in this context.

⁶⁵ Department of Families, Housing, Community Service and Indigenous Affairs, Canberra, 2009, viewed 29 January 2010, <http://www.fahcsia.gov.au/SA/FAMILIES/PUBS/FAMILY_CARAVAN_PARKS/Pages/Caravan_Parks_Summary.aspx>; and ARTD Consultants, *Evaluation of the Playgroup Program: Final Report*, report prepared for FaHCSIA, Sydney, 2008.

Indigenous children and their families must be a priority focus for this mainstream ECD Performance Framework.

RECOMMENDATION

5. The new Performance Framework being developed under the National ECD Strategy should include a specific focus on support for Indigenous children, with a direct line-of-sight to relevant COAG targets and other policy objectives.

Sustainability

Analysis of agency responses to the Review survey indicates that many of the ECD programs only offer short term annual funding, with some programs requiring a further annual application process, even to long serving providers. As outlined later in this Report, within a risk management framework, there should be scope to move to multiyear funding for these programs for many providers, thereby enabling them to manage their operations on a more sustainable basis with longer term leasing of facilities and contracting of staff.

Need for consolidation and greater flexibility

There is a plethora of slightly different (but otherwise similar) program types and services operating in this sphere. This has led to fragmentation of program arrangements, poor service linkages and duplication of administration and reporting requirements. Service providers often source funding for similar needs across different program types exposing them to (superficially) rigid program funding and reporting requirements, and leading to increased compliance burden. Given the need to improve flexibility and improve coordination and integration at all levels, it is unlikely that the present menu of program arrangements serves that goal very well.

A suggested approach to consolidating the Commonwealth's programs in each of the three main program clusters follows.

Child and maternal health programs

The present suite of programs, managed by DOHA, falls into 2 categories – generic and targeted. They would benefit from consolidation, and greater integration and flexibility – as already occurs naturally at the service delivery end, where primary health care providers are accessing more than one of these programs.

The two (2) generic programs – *Mothers and Babies Services* and the *Australian Nurse Family Partnership Program* - are similar in terms of desired outcomes, albeit with distinct approaches and very different reporting requirements. These programs target organisations with different capacities, and relevant funding levels reflect this:

- *Mothers and Babies Services* – This is a 2007 election commitment that supports regional child/maternal health services, with key priority areas of activity identified, but leaving it to the organisation to determine its preferred service model. This is an

entry level program with modest funding for services with low to modest service capacity; and

- *Australian Nurse Family Partnership Program* – This is an intensive nurse-led home visiting program for women pregnant with an Aboriginal and/or Torres Strait Islander child. It is based on a US program, with an impressive evidence base (cited in the *National ECD Strategy*), now being adapted for the Indigenous Australian context. It is a highly prescriptive service model, subject to independent evaluation and international scrutiny. The funding levels match the intensive service delivery model and the data collection/reporting requirements.

The remaining program is a highly targeted initiative:

- *New Directions: Rheumatic Fever Strategy* – This is also a 2007 election commitment that directly targets prevention and better management of acute rheumatic fever and rheumatic heart disease in those endemic regions in Australia – overwhelmingly among Indigenous children and adults. Due to the complexity associated with detection and management of this condition, it requires a targeted approach, including dedicated funding to achieve its goals.

Early Childhood Education and Care programs

The current suite of ECEC programs, managed by DEEWR, naturally falls into four categories:

- mainstream ECEC – operating as commercial services, either as for-profit or not-for-profit operations, and funded by combination of CCB/ CCR and service fees;
- *BBF children's services* – not eligible for CCB/CCR, and funded by grant for core service provision;
- *Playgroup* (limited) initiative; and
- *Preschool* initiatives.

Suggested restructuring for each of these categories follow.

- The mainstream services are not covered by this Review, although they are subject to the mainstream developments discussed above, such as the Child Care Market Review, NQA, and the *Early Years Learning Framework*.
- BBFs were consolidated into a single program platform in 2003 in recognition that they shared many approaches, service issues, and similar client groups. The additional service reforms necessary to evolve these facilities into high quality ECEC services has not proceeded as desired. It is vital that these BBFs are supported to transition to the mainstream quality standards although most likely several years will be needed for this transition process.
- The single playgroup program, in the ECEC suite managed by DEEWR, should be transferred to FaHCSIA who manage other playgroup initiatives and consolidated within the *Family Support Program*, to realise reforms and improvements in this area, as discussed below.
 - The Review notes that DEEWR emphasises the educational dimensions to playgroups (where they have been appropriately structured and resourced for this outcome), and prefer to retain this program. The Review, however, sees no reason why a FaHCSIA-managed and consolidated playgroup cluster (within the *Family Support Program*) could not involve DEEWR (and other relevant agencies with ECD interests and related programs) in its governance, in order to give

appropriate weight to early childhood *education* outcomes as well as other objectives.

- *Preschools* – policy, funding, licensing, workforce, support, etc – are the responsibility of States and Territories. The Commonwealth’s involvement here reflects historical circumstance, rather than a reflection of current (COAG) policy settings, and stems from Commonwealth funding injections into both government and non-government preschools to accelerate their engagement with and effectiveness for Indigenous families. Under the *NPA on ECE*, States and Territories have acknowledged their responsibilities for ensuring that all Indigenous children have access to quality ECE. Given their accepted responsibilities, including for Indigenous children, and that substantial new Commonwealth funding (\$955 million) has already been provided to the States and Territories for this purpose, it is proposed that the Commonwealth discontinue its involvement in preschools and redirect its funds to other priorities.
 - The Review understands that dialogue to date with States and Territories has included consideration of transferring both program responsibilities as well as current funding levels.
 - DEEWR is supportive of this funds transfer to States and Territories, in particular to ensure continued support for non-government preschool providers.
 - However, when considered in the context of the overall Commonwealth funding to States and Territories for this purpose, the Review remains of the view that the States and Territories should be expected to address these needs and that these current funds should be retained by the Commonwealth and redirected to other Priorities.

In the near to medium term, there should be only two clusters of ECEC programs – mainstream and BBFs (as a temporary/interim feature only). In the long term, a consolidated program could look like:

- a single ECEC program gateway, with all services funded by mainstream market instruments and a national quality framework applying equally to all:
 - Transition of all BBFs to mainstream funding instruments may not be a realistic goal in all circumstances, especially in remote locations where markets (and their funding instruments) may be inadequate or inappropriate to support their continued operation and in those cases some supplementary arrangements will be required;
 - However, the NQA framework should be the standard for ECEC for Indigenous children in all regions.
- a single performance reporting framework for all ECEC services, articulating into the ECD Performance Framework; and
- common evaluation framework to promote evidence based service models.

Family support programs

Indigenous programs in this sphere, managed by FAHCSIA, currently fall naturally into two categories:

- family support/parenting; and
- playgroups – with a suite of service models funded under different programs.

Inclusive of the rationale and suggestions above, a reform agenda for these programs follow:

- all programs are to be consolidated into the reformed *Family Support Program*, with a sub-menu of proven service interventions supported under this broad arrangement, inclusive of parenting programs, playgroups and other family-based interventions;
- a single flexible funding pool to fund selected activities, as guided by the priorities identified by local communities; and
- single performance framework for all *Family Support Program* services that mandates performance reporting for Indigenous families across all relevant services, articulating into the ECD Performance Framework and other relevant frameworks.

(Note, further discussion on reforms to the mainstream *Family Support Program* is outlined in the Families, Communities and Child Protection section of this report.)

RECOMMENDATION

6. Current programs should be consolidated into three streams – Child/Maternal Health, Early Childhood Education and Care, and Family Support – with flexibility to match program profiles with local service capabilities and needs:
 - 6.1. DEEWR playgroups should transfer to FaHCSIA;
 - 6.2. DEEWR preschool programs should transfer to the States and Territories with the funds being allocated to other Commonwealth priorities; and
 - 6.3. The effectiveness and the value for money of remaining program elements should be evaluated over the next several years.

In summary, these suggested reforms involving consolidation of ‘like’ initiatives, development of flexible and sustainable funding arrangements, implementing strategies to improve planning and coordination of services at the local level and transfer of residual programs to States and Territories, in parallel with developing a common performance framework and conducting robust evaluations, should better position these programs to achieve their intended results.

The contribution of mainstream programs and services and the performance by the States and Territories, though, will need constant monitoring to ensure they too are delivering on their responsibilities and commitments.

CHAPTER 5.2: SCHOOLING

The severe disadvantages suffered by large numbers of Indigenous Australians are nowhere more evident than in the schooling system. Indigenous students participate in school at lower levels, attend less frequently, and achieve markedly poorer outcomes than do other young Australians. Unless major improvements can be made in Indigenous outcomes from schooling there is little hope for long-term gains in other key areas such as employment, health and rates of welfare dependency; as a result, improvements in Indigenous well-being overall will continue to be painfully slow.

More positively, if genuine and durable gains can be made in Indigenous participation and achievement at school, the potential flow-on benefits are very substantial indeed. On leaving school, Indigenous students would enjoy a much wider range of opportunities and choices than are currently available to them; in addition, the youthful age structure of the Indigenous population⁶⁶ means that improvements in schooling outcomes would serve to boost the employment prospects and life-chances of a sizeable proportion of the total Indigenous population, with the stream of benefits rising strongly over time. As the Secretary to the Treasury has argued:

Education can help transform social and economic opportunities, with particularly strong gains for those from disadvantaged backgrounds. People who are better educated are better placed to participate in the labour market and earn higher incomes. Higher levels of education are also associated with lower rates of incarceration and increased engagement in civic life. In short, education is the key to better life opportunities and choices.⁶⁷

The COAG targets

COAG has recognised the critical role of schooling in achieving the goals of its Indigenous reform agenda and committed to securing major improvements in the educational outcomes of Indigenous students from school. Two of its *Closing the Gap* targets focus directly on schooling, namely:

- to halve the gap in reading, writing and numeracy achievements for Indigenous children within a decade (i.e., by 2017); and
- to halve the gap for Indigenous students in year 12 attainment or equivalent attainment rates by 2020.

These are ambitious targets. The latest results of the national assessment program literacy and numeracy (NAPLAN) tests highlight the fact that, even by Year 3 at school (average age 8), a very large gap has been established between the learning outcomes achieved by Indigenous and non-Indigenous students – a gap which persists (and in many cases widens)

⁶⁶ About four in every ten Indigenous Australians are aged 14 years or less, compared with just two in ten non-Indigenous Australians (ABS, 2007). Indigenous students make up 4.4 per cent of all school students Australia-wide, whereas Indigenous people make up just 2.5 per cent of the total Australian population.

⁶⁷ K Henry, Secretary to the Treasury, *Addressing extreme disadvantage through investment in capability development*, Keynote address to the Australian Institute of Health and Welfare Conference 'Australia's Welfare 2007', Canberra, December 2007.

at higher levels of schooling. The size of the gap varies significantly by jurisdiction and location; at a system level it is widest in the Northern Territory, where more than half of all Indigenous students fail to attain minimum national standards in reading, writing, spelling and numeracy. In some remote schools in the Northern Territory, no Indigenous students meet those standards.

More encouragingly, the number of Indigenous school students enrolled for Year 12 across Australia has more than doubled since 1999 to a total of some 4,800 students in 2008, and this has contributed to a narrowing in the Year 12 retention gap between Indigenous and non-Indigenous students. Even so, the gap remains sizeable at 29.1 percentage points (46.5 per cent for Indigenous students and 75.6 per cent for non-Indigenous students), and a halving of the gap by 2020 will represent a formidable challenge.

What needs to be done?

The achievement of these two COAG targets will depend critically on improvements in the quality of mainstream schooling delivered to Indigenous Australians. Schools and school systems – in particular the public education systems administered by State and Territory Governments⁶⁸ – will need to accept their responsibilities to their Indigenous students and be far more serious about discharging those responsibilities than has often been the case in the past. COAG itself has noted the need for structural reform in key areas such as schooling:

*Sustained improvement in outcomes for Indigenous people can only be achieved by systemic change. Through these agreements, all governments will be held publicly accountable for their performance in improving outcomes in these key areas.*⁶⁹

An obvious starting point for reform is school attendance. Indigenous children have significantly lower school attendance rates than non-Indigenous children in all jurisdictions; moreover, attendance rates decline significantly (and the attendance gap between Indigenous and other students widens) as students progress through the schooling system.⁷⁰

Attendance rates at many remote Indigenous schools, in particular, are unacceptably low. In its report of June 2008, the NTER Review Board drew attention to a 'major education crisis' in many Northern Territory Aboriginal communities and noted that, while school attendance rates in NTER communities as a whole averaged some 65 per cent, just 27 per cent of enrolled students in very remote communities attended school regularly.⁷¹ In a joint

⁶⁸ Australia-wide, around 86 per cent of Indigenous students are enrolled in government schools, compared with 65 per cent of non-Indigenous students. (ABS data)

⁶⁹ Council of Australian Governments, *Communique*, Canberra, 29 November 2008, p. 8.

⁷⁰ Ministerial Council for Education, Employment, Training and Youth Affairs, *2007 National Report on Schooling in Australia*, 2007.

⁷¹ Northern Territory Emergency Response Review Board, *Report of the NTER Review Board*, Commonwealth of Australia, Canberra, 2008, Chapter 2. The Review Board also highlighted the fact that at least 2,000 Indigenous school-aged children in the Northern Territory were not even enrolled at school.

response to the Board's report, the Australian Government and the Northern Territory Government declared that:

*Education outcomes for Indigenous children in the Northern Territory are totally unacceptable and urgent action is required.*⁷²

Various approaches have been tested in an effort to encourage higher rates of school attendance among Indigenous students, but outcomes to date have been mixed at best. For example, there has been no significant change in attendance rates at schools in the relevant Northern Territory communities since the introduction of the NTER, nor is there any strong evidence that a measure such as the *School Nutrition Program*, whatever its other benefits, is attracting more students to go to school.⁷³

Any long-term improvements in attendance rates will require action not only at the school and system level but also within Indigenous communities themselves: in particular to encourage Indigenous families and children to value schooling and to understand the long-run consequences of non-attendance or poor performance at school. Related to this, there is a strong case to make more effective use of school facilities for community purposes out of regular school hours; among other benefits, this would convey the message to students that schools can be supportive and welcoming places rather than places to be tolerated or feared, and help to engage families in education.

Other factors critical to the achievement of the COAG targets are the standard factors which make for effective schooling generally: among them, strong school leadership, quality teachers and teaching, well-designed curricula, flexible learning pathways and effective systems of parent and community engagement and student support. While all these factors are important, and the interplay between them is often critical, the research evidence points clearly to quality teaching as by far the most important influence on student outcomes.⁷⁴

The engagement and effective deployment of teachers is a key responsibility of mainstream education authorities and, as the Chairman of the Productivity Commission has noted, it is reasonable to expect that the most 'difficult' schools and students within the public education system should at least receive their fair share of the more able teachers.⁷⁵ Too often, however, and particularly in more remote localities, the teachers appointed to schools with large numbers of Indigenous students have been young, inexperienced and poorly equipped to deal with the many challenges they face: as a result, many leave within a year of their appointment, feeding a 'churn' effect which

⁷² Commonwealth Government, *Australian Government and Northern Territory Government Response to the Report of the NTER Review Board*, Canberra, May 2009.

⁷³ Department of Families, Housing, Community Services and Indigenous Affairs, *Closing the Gap in the Northern Territory, January 2009 to June 2009: Whole of Government Monitoring Report*, FaHCSIA, Canberra, 2009.

⁷⁴ A Alton-Lee, *Quality teaching for diverse students in schooling: Best evidence synthesis*, Ministry of Education, New Zealand, 2003.

⁷⁵ G Banks, (Chairman, Productivity Commission), *Are we overcoming Indigenous disadvantage?*, address to Reconciliation Australia's 'Closing the Gap Conversations' series, National Library, Canberra, 7 July 2009.

further disadvantages the children at these schools.⁷⁶ The low representation of Indigenous staff at many of these schools is yet another factor likely to contribute to feelings of student disorientation or alienation.⁷⁷

Strategies for change

Within the general framework established by the *Intergovernmental Agreement on Federal Financial Relations*, COAG has negotiated a series of important policy agreements to guide national reform and improvement in Australia's education system.

The *National Education Agreement* defines the objectives and desired outcomes of schooling in Australia and sets out the roles and responsibilities of each level of government, key directions of policy reform, and relevant performance indicators and benchmarks. Under the terms of this Agreement, States and Territories have responsibility for ensuring that all school-aged children are given the opportunity to enrol in a safe and supportive school; moreover, that children of compulsory school-age actually attend school. The States are also responsible for developing policy, delivering services, monitoring and reviewing the performance of individual schools and managing the regulatory framework for schools in ways which support the achievement of national objectives but are compatible also with local circumstances and priorities. The Commonwealth for its part is responsible, among other things, for 'investing in actions to secure nationally agreed policy priorities, in consultation with States and Territories'.

As a complement to the *National Education Agreement*, and in support of its goals and intended outcomes, COAG has developed three *Smarter Schools National Partnership Agreements* (NPAs) designed to promote reforms in particular aspects of schooling: a *National Partnership Agreement on Improving Teacher Quality*; a *National Partnership Agreement on Literacy and Numeracy*; and a *National Partnership Agreement on Low SES School Communities*. Under bilateral agreements which the Commonwealth has negotiated with each jurisdiction, States and Territories will implement a system-wide reform agenda designed to achieve the objectives of the relevant NPA.

Substantial funding has been committed to support the operation of these Agreements: \$550 million over five years, in the case of the NPA on Improving Teacher Quality; \$580 million over four years in the case of the NPA on Literacy and Numeracy; and \$1,107 million over five years (\$1.5 billion over 7 years) in the case of the NPA on Low-SES School Communities. The funding includes a series of 'facilitation payments', designed to support the planning and implementation of agreed reforms; 'reward payments', to be based on the achievement of agreed reform targets⁷⁸; and additional funding (to be managed by the Commonwealth) for purposes such as research, pilot programs and joint national activity.

⁷⁶ Ladwig & Sarra, *Delivering the Goods: 2009 Structural Review of the Northern Territory Department of Education and Training*, p. 41.

⁷⁷ *ibid.*, p. 42.

⁷⁸ Reward payments are available under the National Partnership Agreements on Improving Teacher Quality and Literacy and Numeracy.

Indigenous schools and students should be a prime focus for attention under these Agreements: a key objective of the Literacy and Numeracy NPA, for example, is to 'accelerate progress towards the ambitious literacy and numeracy target set by COAG to halve the gap for Indigenous students in reading, writing and literacy within a decade'. It remains to be seen, however, whether the reform strategies developed by mainstream systems will pay adequate attention to the needs of their Indigenous students, noting the very low priority which Indigenous schooling has attracted in the past. For this reason, the Review suggests that the next reviews of Implementation Plans and Bilateral Agreements under the three *Smarter Schools National Partnership Agreements* should pay particular attention to the extent to which specific education outcomes are being achieved for Indigenous students, in terms which can be reliably measured and reported.

COAG itself has highlighted the need for a high priority to be given to improvements in Indigenous student outcomes. At its meeting in July 2009 it agreed that States and Territories should implement specific strategies to meet its Indigenous education targets in areas of concentrated Indigenous population; to this end, regional and local school-level strategies would be prepared and brought together in a national *Indigenous Education Action Plan*, to be developed by the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA) in consultation with Indigenous education leaders.⁷⁹

In November 2009 MCEECDYA approved a draft *Indigenous Education Action Plan* for 2010-14, which has since been released as a basis for public consultation. The draft plan identifies national and jurisdictional action in six priority domains that evidence suggests will contribute most to improved outcomes in Indigenous education:

- readiness for school;
- engagement and connections;
- attendance;
- literacy and numeracy;
- leadership, quality teaching and workforce development; and
- education and training pathways to real post-school options.

The draft plan acknowledges that, while national policies and strategies are of obvious importance, it is action at the local level which will make the most difference in 'closing the gap'. In line with this, many of the jurisdictional actions in the plan are concentrated on 'focus schools', which are defined as schools with significant concentrations of Indigenous students and with the greatest need for support, where efforts should be focused to make the greatest difference. Primary schools will be targeted as 'focus schools' in the first instance, so that effort is concentrated on the early years of learning.⁸⁰

⁷⁹ Council of Australian Governments, *Communique*, Canberra, 2 July 2009.

⁸⁰ Ministerial Council for Education, Early Childhood Development and Youth Affairs, *Indigenous Education Action Plan 2010-14: Draft for public comment*, 2009.

RECOMMENDATIONS

7. Education is central to improving the life opportunities and choices available to Indigenous Australians, and improvements in schooling outcomes will be fundamental to the success of the Indigenous reform agenda as a whole. Consistent with the policy framework agreed by COAG, the Commonwealth's primary focus in schooling should be to hold mainstream systems and providers to account in meeting their obligations under the *National Education Agreement*, the *Smarter Schools National Partnership Agreements* and the *Indigenous Education Action Plan*.
8. The next reviews of Implementation Plans and Bilateral Agreements under the three *Smarter Schools National Partnership Agreements* should pay particular attention to the extent to which specific education outcomes are being achieved for Indigenous students, in terms which can be reliably measured and reported.

Current program arrangements

The Review has identified 20 Commonwealth Indigenous-specific programs operating wholly or principally within the schooling domain, involving total funding of \$266.0 million in 2009-10 and \$979.1 million over the four years to 2012-13. Policy responsibility for all but one program rests with DEEWR, the exception being the *Indigenous Boarding Hostels Partnerships Program* administered by FaHCSIA. While DEEWR has overall policy responsibility for the ABSTUDY student assistance program, day-to-day responsibility for the administration of this program rests with Centrelink. Likewise, most of the other programs are delivered by contracted providers, rather than directly by DEEWR itself.

Summary information on each of the 20 programs is given in [Attachment E](#). In overview, key characteristics are as follows:

Program size: Only one program (*ABSTUDY Secondary*) involves expenditure of more than \$100 million per year. Seven programs involve annual spending in the range \$10 million - \$25 million each, while 12 programs have annual expenditure of less than \$10 million.

Legislative status and funding arrangements: Funding for 17 of the 20 programs, including ABSTUDY, is appropriated under the *Indigenous Education (Targeted Assistance) Act 2000*, as amended at the end of 2008. As ABSTUDY is an entitlement-based program, its funding is driven by the level of demand for the program. Other programs, by contrast, are essentially discretionary in nature, with aggregate funding capped at levels specified under the Act; currently, funding has been appropriated for the four-year period 2009-2012 inclusive.

Three programs are not covered by specific legislation, and are funded instead by annual appropriations: these are the NTER-based program *Enhancing Education – School Nutrition*; the *Australian Indigenous Education Foundation (AIEF)* scholarship program; and FaHCSIA's *Indigenous Boarding Hostels Partnerships* program.

Geographic focus: Sixteen programs are national in their coverage; of the remaining four, three are confined to the Northern Territory and one provides support for the four schools participating in the Cape York Welfare Reform trial project.

Program objectives: It is useful to consider the objectives of each program within the following broad classification structure:

- *Engagement*: Programs designed to foster community engagement in education and to encourage Indigenous families and children to value and participate in schooling.
- *Mainstream support*: Programs which support or supplement the activities of mainstream education providers (e.g., by funding literacy and numeracy programs, professional development, or the employment of teachers).
- *Student assistance/mobility support*: Programs providing financial assistance to students and/or their families to support their participation or increase their access to education.
- *Advisory/consultative*: Programs designed to support the provision of Indigenous advice and input into the design of Indigenous education policies and programs.

Using this classification structure, and classifying each program by its primary purpose (noting that some have multiple objectives), the distribution of programs and funding across these four broad program 'clusters' is as follows:

Table 5.2.1

Program cluster/primary purpose	Number of programs	Funding 2009-10 (\$m)	Total funding, 2009-10 to 2012-13 (\$m)
Engagement	4	42.1	162.2
Mainstream support	10	54.6	233.7
Student assistance/mobility support	5	182.7	574.2
Advisory/consultative	1	2.2	9.0
Total	20	281.6	979.1

Assessment of current program arrangements

The program arrangements outlined above are largely an 'historical accident', in that they represent the accumulated result of a series of separate funding decisions taken in a succession of Commonwealth budgets over many years. Most of these programs were first implemented in a particular context to meet a particular need identified at the time; by and

large, they have continued in their original form even as needs and circumstances have changed, and as new and more comprehensive policy strategies have been put in place.

Taken individually, most of the programs have objectives broadly consistent with those of the *Closing the Gap* strategy, even if their effectiveness in meeting those objectives is often open to question. Considered as a whole, however, the current array of programs is an idiosyncratic mix, lacking any strong coherence or sense of strategy and with poor connections to the broader policy agenda described earlier in this chapter. On these grounds, the Review considers that some significant changes should be made to current program arrangements in the interests of better alignment, greater clarity and improved effectiveness.

Summary comments on current program arrangements, including possible options for change, are provided below in relation to each of the four broad program clusters identified earlier.

Engagement programs

The Review accepts that there is an important role for the Commonwealth and its agencies in fostering community engagement in education and in encouraging Indigenous families and children to value and participate in schooling.

Of the four 'engagement programs' (broadly defined) currently administered by DEEWR the largest is the *Parent and Community Engagement Program* (PACE), with funding of \$85 million over 4 years. While this is technically a new program, introduced at the beginning of 2009, in reality it is a successor to the former *Parent School Partnerships Initiative* (PSPI), a program which attracted critical reports both from a Senate Committee (in 2005) and subsequently from the ANAO (in 2007-08). The ANAO noted, for example, that:

*.... the department has found it difficult to measure the program's effectiveness and contribution to the achievement of outcomes from the Indigenous Education Programs. This is because, in planning the program, the department did not develop objectives that were distinct and measurable from other elements of the Indigenous Education Program.*⁸¹

It will be important that this criticism, and others, be addressed in the implementation of the new PACE program. Clear links will also need to be drawn with the operation of the *Indigenous Education Action Plan*, the *Smarter Schools National Partnership Agreements* and the extensive processes of community engagement being planned as part of the *Remote Services Delivery Strategy* (see Chapter 8).

Sporting Chance and *Community Festivals for Education Engagement* are both incentive-based programs designed to encourage Indigenous students to engage with their schooling:

⁸¹ Australian National Audit Office, *Parent School Partnerships Initiative: Performance Audit*, Audit Report No.29 2007-08, Canberra, p. 16.

- *Sporting Chance* uses sport as a vehicle for boosting school participation and outcomes, with a focus on those students deemed at risk of not completing their schooling. This program has produced some encouraging results at a local and community level, and has been reported as contributing to improvements in school participation, health, student attitudes, behaviour and academic performance.⁸² Changes to the targeting of the program may produce even better results (noting that a high proportion of program participants to date have been males, and that providers rather than government often determine the localities in which the program operates).
- The *Community Festivals for Education Engagement* program sponsors participation in community festivals as a means encouraging Indigenous students to maintain their participation in schooling. The program was cited in the most recent edition of the *Overcoming Indigenous Disadvantage* report as one of the 'things that work' in increasing school attendance⁸³; however, the evidence supporting that statement seems to have been largely anecdotal in nature, and more robust evaluation is needed of the program's performance and effectiveness in contributing to improved attendance outcomes. In 2008, fourteen festival events were conducted across Australia, attracting 5,635 student participants.

For the future, the Review sees benefit in pooling the resources available for the *PACE*, *Sporting Chance* and *Community Festivals* programs into a single funding allocation which could be targeted strategically to support the objective of stronger community and student engagement in schooling. Similar to the new *Indigenous Employment Program*, the integrated program could offer a menu of allowable 'engagement' activities, including activities of the kind funded under existing programs, which could be tailored to meet particular local needs and circumstances. The advantage would lie in the opportunity for a more strategic deployment of available resources and greater flexibility to redeploy resources as needs or priorities change, or as new evaluation evidence comes to hand. Over time, there should also be some savings in administrative costs.

RECOMMENDATION

9. Funding for the *Parent and Community Engagement* program (PACE), the *Sporting Chance* program and the *Community Festivals* program should be pooled into a single funding allocation which can be targeted strategically to support the objective of stronger community and student engagement in schooling. *Indigenous Education Action Plan*.

The NTER measure *Enhancing Education - School Nutrition* (SNP) was introduced with the primary objective of encouraging higher rates of school attendance in the NTER communities by providing a breakfast and/or lunch service for children attending school in

⁸² Department of Education, Employment and Veterans' Affairs, *Annual Report 2008-09*, DEEWR, Canberra, p. 69.

⁸³ Steering Committee for the Review of Government Service Provision, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, Canberra, 2009, p. 6.5.

those communities. A secondary aim was to provide employment opportunities for local Indigenous people in delivering this service.

The program has boosted Indigenous employment in the NTER communities, engaging some 130 Indigenous people (either full-time or part-time) to deliver a food service at the relevant schools. It also appears to have had some positive effects on children's nutrition and health, although the evidence in this regard is less clear-cut: it is difficult, for example, to isolate the contribution made by the SNP to better nutrition independently from the impact of other closely related measures (such as the *Income Management* and the *Community Stores* initiatives). Most disappointingly, however, there is no evidence as yet that the program has made any headway in meeting its primary objective of increasing school attendance in the NTER communities: at just 62.2 per cent on average in June 2009, school attendance rates had barely moved from their unacceptably low levels of two years earlier.⁸⁴

The Review proposes that the overall effectiveness of the *School Nutrition Program* should be critically assessed as part of the planned NTER evaluation strategy. Recognising also the primary responsibility of families and communities in this area, it supports the conclusion of a recent OEA performance audit that there is a need for a strategy by which, in time, communities can take over the operation of their local SNP service, where the service is sustainable without government funding, or alternatively put in place an orderly exit strategy.⁸⁵ Any continuing funding should be subject to the development of a transition plan along these lines.

RECOMMENDATION

- 10.** The effectiveness of the NTER measure *Enhancing Education – School Nutrition* should be critically assessed as part of the planned NTER evaluation strategy. Evidence to date suggests that, while the program has boosted Indigenous employment and may have helped to improve children's nutrition, it has failed to achieve its primary goal of boosting school attendance rates in NTER communities. Any continuing funding of this program should be subject to the development of a transition plan which recognises the primary responsibility of families and communities in this domain.

Mainstream support programs

The ten programs supporting the activities of mainstream education providers are listed in the table at Attachment E.

⁸⁴ Department of Families, Housing, Community Services and Indigenous Affairs, *Closing the Gap in the Northern Territory, January 2009 to June 2009: Whole of Government Monitoring Report*, FaHCSIA, Canberra, 2009, pp. 22-25.

⁸⁵ Office of Evaluation and Audit, *Performance Audit of the School Nutrition Program*, Department of Finance and Deregulation, Canberra, 2009. Current contracts under the *School Nutrition Program* expire in June 2010, with funding terminating in June 2012.

A fundamental issue in this area goes to the relationship between these Commonwealth-funded programs and the new education funding framework endorsed by COAG. As noted earlier, the *National Education Agreement* and the associated *National Partnership Agreements on Improving Teacher Quality, Literacy and Numeracy* and *Low SES School Communities* all commit very substantial funding to support improvements in educational outcomes, and these Agreements will be key instruments for driving improvements in the outcomes achieved by Indigenous students at school. In many cases, the activities which will be supported under the new NPAs are the same, or very similar, to the activities currently supported under the Commonwealth's funding programs. A key role for the Commonwealth in the future should be to ensure that mainstream service providers are held properly and fully to account under these new Agreements, rather than concentrating its efforts on managing small-scale programs which duplicate or operate at the edges of the mainstream.

A related issue goes to the scale and effectiveness of the Commonwealth's Indigenous program interventions in the schooling domain. Commonwealth program expenditure typically represents a small fraction only of total school-based expenditure on the function or activity in question – too small, in most cases, to have any prospect of driving system-wide change in mainstream schooling systems. Program effectiveness too is often questionable, with evaluation studies highlighting weaknesses in the evidence base and the difficulty of establishing any clear relationship between program inputs and outcomes achieved. The recent Monash University evaluation of the National Accelerated Literacy Program (NALP), for example, found that while stakeholder responses to the program were generally positive, it was not possible to establish any clear causality between NALP and student achievement.⁸⁶

The Review does not question that, in some cases, the Commonwealth's Indigenous schooling programs have achieved some useful results at a local or community level; its position, rather, is that these programs are inherently marginal rather than structural in nature, and cannot be expected to remedy the serious deficiencies in mainstream schooling which should be the prime focus of policy attention for the future. Where mainstream services fail to deliver their intended outcomes (as currently in the case of education services for remote Indigenous communities in the Northern Territory, for example), the appropriate policy response should be structural reform of those mainstream services rather than the creation of a further set of piecemeal funding programs.

The programs *Closing the Gap – Expansion of Intensive Literacy and Numeracy Programs* and *Closing the Gap – Individual Learning Plans*, both 2007 election commitments, provide support for mainstream activities which fall within the scope of the new *National Partnership Agreements on Literacy and Numeracy* and *Improving Teacher Quality*. The Review suggests that these current programs should be evaluated for effectiveness, and that any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of those Agreements.

⁸⁶ Faculty of Education, Monash University, *Evaluation of the National Accelerated Literacy Program*, 2008. The NALP program is designed to provide a structured approach to the teaching of literacy to Indigenous students, using age-appropriate text. The program has drawn its funding support, in part, from *Closing the Gap – Expansion of Intensive Literacy and Numeracy Programs*.

RECOMMENDATION

11. The programs *Closing the Gap – Expansion of Intensive Literacy and Numeracy Programs* and *Closing the Gap – Individual Learning Plans*, both election commitments, provide support for mainstream activities which fall within the scope of the new *Smarter Schools National Partnership Agreements*. The current programs should be evaluated for effectiveness, and any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of those Agreements.

The Review has found no evidence that the programs *Indigenous Support Units – Non-government schools*, *Targeted Projects – Other* and *Program Support* are making any material contribution to the achievement of the *Closing the Gap* targets, and recommends that these programs should cease when their current funding contracts expire.

RECOMMENDATION

12. The following schools programs are of limited effectiveness, and should cease when their current funding contracts expire:
 - 12.1. *Indigenous Support Units – Non-government schools*;
 - 12.2. *Targeted Projects – Other*; and
 - 21.1. *Program Support*.

The programs *Dare to Lead* and *What Works* and the new program *Indigenous Education Leadership Institute – Stronger Smarter Learning Communities* all support various forms of professional development activity intended to help school principals and teachers to improve the outcomes achieved by their Indigenous students. These programs too should be evaluated for their effectiveness, noting that *Dare to Lead* and *What Works* have both been in place for many years. Any continuing funding should be used to support innovation in professional practice, with an emphasis on local innovative activities which may have wider application nationally. A focus of these programs should be on meeting specific professional development nationally. A focus of these programs should be on meeting the needs of teachers working with Indigenous students – for example, English as a second language training for teachers working in more remote areas. As the activities supported under these programs fall within the scope of the *National Partnership Agreement on Improving Teacher Quality*, any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of that Agreement.

RECOMMENDATION

13. Remaining elements of the *Targeted Projects* program should be used to support innovation in professional practice, with a focus on local innovative activities which may have wider application nationally. Current program elements including *Dare to Lead*, *What Works* and the *Indigenous Education Leadership Institute* –

Stronger Smarter Learning Communities should be evaluated for their effectiveness. As these programs support mainstream activities which fall within the scope of the *National Partnership Agreement on Improving Teacher Quality*, any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of that Agreement.

The Commonwealth has funded the *MULTILIT/SET in Cape York* program as one element of the broader Cape York Welfare Reform initiative. The program has provided support for four schools (Aurukun, Coen, Mossman and Hopevale) to improve the literacy and numeracy skills of their students, while at the same time encouraging community engagement and family support for children's education.

In December 2009 the Queensland Government announced that it would provide \$7.7 million over three years for a pilot program to be trialled at the Aurukun and Coen schools, again with the objective of improving the literacy and numeracy skills of the students at these schools.⁸⁷ Based on a 'no excuses' approach, the State Government program will support a longer school day, as proposed by the local communities; commit to at least 14 hours of reading, writing and spelling instruction and six hours of maths instruction each week; and provide 10 additional staff to the two schools.

The Review suggests that the terms of the Commonwealth's support for the *MULTILIT/SET in Cape York* program should be reviewed and renegotiated as necessary in light of these significant decisions of the Queensland Government. As with the other programs discussed in this section, continuing support for the MULTILIT/SET program should be subject to an evaluation of program performance and effectiveness. More broadly, it will be important also that the two governments continue to support the Cape York Leadership Institute's important experiment in welfare reform in these communities.

RECOMMENDATION

- 14.** The terms of the Commonwealth's support for the *MULTILIT/SET in Cape York* program should be reviewed and renegotiated as necessary in light of the decisions recently announced by the Queensland Government to commit additional resources to improving the literacy and numeracy skills of students attending Cape York schools.

The *Additional 200 Teachers for the Northern Territory* measure, a 2007 election commitment, was designed to provide additional teachers for government and non-government schools in the Northern Territory to assist in the education of approximately 4,500 Indigenous children who were either not enrolled at school or not attending regularly enough to benefit from their education.

⁸⁷ The Hon. Geoff Wilson, Queensland Minister for Education and Training, *No Excuses Reform Program for Indigenous Education in Cape York*, media release, 3 December 2009.

Unfortunately, there is little evidence that this program has been successful to date: while 85 additional teachers had been employed in Northern Territory government schools by October 2009 (just half of the planned allocation of 170 teachers for the government sector) student enrolment levels have shown no significant improvement, especially in remote communities, and rates of absenteeism continue to be high.

There is also a question of the appropriateness of earmarked Commonwealth funding to support the employment of general classroom teachers – a clear mainstream responsibility. This seems inconsistent with the general principles endorsed by COAG; it also runs the risk of confusing responsibilities for the future, and reducing the pressure on the Northern Territory Government to undertake overdue reforms to its primary and secondary education systems.

On these grounds, the Review recommends that the appropriateness of continued funding for the *Additional 200 Teachers* measure should be reviewed before the expiry of the current funding commitment in June 2012. In the interim, it suggests that funding for this measure should be provided by way of a variation to the terms of the *National Partnership Agreement on Closing the Gap in the Northern Territory*.

RECOMMENDATION

- 15.** The program *Additional 200 Teachers for the Northern Territory*, a 2007 election commitment, provides earmarked Commonwealth funding to support a mainstream responsibility of the Northern Territory Government. The appropriateness of this arrangement should be reviewed before the expiry of the current funding commitment in June 2012; in the interim, funding for this measure should be provided by way of a variation to the terms of the *National Partnership Agreement on Closing the Gap in the Northern Territory*.

Student assistance and mobility support programs

The student assistance scheme *ABSTUDY Secondary* is by far the largest program operating in the schooling domain, with total funding of \$114.7 million in 2009-10 and \$468.7 million over the four years to 2012-13. The program provides a means-tested living allowance and other supplementary benefits to eligible Indigenous secondary students.

A thorough evaluation of *ABSTUDY* conducted in the mid-1990s found that financial assistance was only one of a range of factors which influence the educational participation decisions of Indigenous students; while one-third of Indigenous secondary students at the time indicated that they would drop out of schooling if *ABSTUDY* support were not available, many considered that lack of self-esteem, lack of encouragement, lack of school and family support and racism were more important factors in causing Indigenous students

to discontinue or drop out of study.⁸⁸ About two-thirds of those surveyed indicated that the level of ABSTUDY support was sufficient to meet their needs.

The Review has not formed any judgements on the recent performance and overall effectiveness of ABSTUDY, but notes the findings of the most recent departmental study of the program (2006) that monitoring and evaluation arrangements could be improved and that action is needed to promote awareness and understanding of ABSTUDY among Indigenous people, particularly in more remote areas.⁸⁹ On the evidence available, the Review considers that there is a sound case to maintain ABSTUDY as a separate, Indigenous-specific program for the foreseeable future in recognition of the particular barriers to educational participation still faced by many Indigenous students. Incorporation of the scheme into mainstream student assistance arrangements should be considered only when major improvements have been made in current rates of Indigenous participation in education, and in particular, when the two *Closing the Gap* targets for schooling have been achieved.

RECOMMENDATION

- 16.** In recognition of the particular barriers to educational participation faced by many Indigenous students, the *ABSTUDY Secondary* program be retained as a separate, Indigenous-specific scheme of student assistance.

The four smaller programs in this category are the *Indigenous Youth Leadership Program* (IYLP), with funding of \$14.1 million in 2009-10; the *Australian Indigenous Education Foundation* program (AIEF, \$12.5 million); the *New Boarding Facilities in the Northern Territory* program (\$5.1 million); and the *Indigenous Boarding Hostels Partnerships* program (\$25.7 million).⁹⁰ While there are differences in emphasis across these four programs, all aim to support the participation of Indigenous students in secondary education by the provision of targeted financial assistance: in the case of IYLP and AIEF, through scholarships to assist Indigenous students to attend high-performing schools in major population centres; and in the case of the other two programs, by providing boarding hostel accommodation in remote areas to help Indigenous students access secondary schooling in or near their home communities.

The Review is satisfied that each of these programs is responding to an important need but notes that, relative to the total population of Indigenous secondary students, the overall numbers assisted are relatively small (fewer than 1,000 students nationally across all four programs in any given year)⁹¹. Moreover, some important issues arise with these programs

⁸⁸ A Byrne, et al., *Report of the 1994 ABSTUDY Evaluation*, Department of Employment, Education, Training and Youth Affairs, Canberra, 1997.

⁸⁹ Department of Education, Science and Training, *Review into the impact of ABSTUDY policy changes that came into effect in 2000*, DEST, Canberra, 2006.

⁹⁰ The *Indigenous Boarding Hostels Partnerships* program is due to terminate in June 2010.

⁹¹ In 2008 there were 55,628 Indigenous students enrolled full-time in secondary education (ABS, Catalogue No. 4221.0, 2009). In the same year there were some 151,700 Indigenous school students Australia-wide,

as to which students and communities should be selected for support, and on what criteria; whether the very generous levels of assistance provided to a small minority of students (in the case of the scholarship programs) could be used differently and to better effect to support a broader range of students; and how these various Commonwealth-funded programs interact with the mainstream responsibilities of State and Territory governments. Greater clarity is needed in these respects for the future.

As part of a more coherent approach to the operation of Commonwealth-funded scholarship programs for Indigenous students, the interaction between the *Indigenous Youth Leadership Program* (IYLP) and *Australian Indigenous Education Foundation* program (AIEF) programs should be reviewed. In the interests of maximising value for money and geographical coverage, for example, funding support under the IYLP should be targeted more strategically, in a manner that better complements the support provided under the AIEF program.

RECOMMENDATION

- 17.** As part of a more strategic approach to the operation of Commonwealth-funded scholarship programs for Indigenous students, funding for the *Indigenous Youth Leadership Program* should be geographically targeted in a manner that better complements the support provided under the *Australian Indigenous Education Foundation* program.

The Review accepts that the provision of boarding facilities and support for voluntary mobility and relocation will need to be important components of any strategy designed to improve access to secondary education for Indigenous students resident in remote communities. At the same time, it sees it as essential that these objectives should be pursued within a well-designed and nationally coherent framework, and implemented in a way which does not absolve the States and Territories, as the relevant mainstream authorities, from meeting their own responsibilities to their Indigenous students.

Current program arrangements in this area are unduly piecemeal. It seems unacceptable, for example, that capital funding for a boarding hostel can be provided through a Commonwealth program without any clear understanding or plan of action as to how the facility will be managed and funded in the longer term.⁹² Equally, decisions on the location of any school boarding facilities supported with Commonwealth funding need to be carefully planned, in close consultation with the relevant mainstream schooling authorities. The Review notes that the *Indigenous Boarding Hostels Partnerships* program is due to terminate at the end of the current financial year.

representing 4.4 per cent of all school students. About 14 per cent of Indigenous school students attend schools in areas classified as 'remote' or 'very remote'.

⁹² As happened in the case of the *Indigenous Boarding Hostels Partnerships* program, which provided capital funding for the construction of boarding hostels at Wiltja in South Australia and Weipa in north Queensland. This program is due to terminate in June 2010.

RECOMMENDATION

- 18.** A more coherent approach is needed to the provision of Commonwealth support for school boarding facilities. Where capital funding is provided, there should be a clear plan as to how the facility will be managed and funded on an ongoing basis. Decisions in this area should be taken in a way which does not absolve the States and Territories, as the relevant mainstream authorities, from meeting their own responsibilities to their Indigenous students.

Advisory/consultative programs

The only schooling program in this category is the program supporting the work of *Indigenous Education Consultative Bodies* (funding of \$2.2 million in 2009-10). The role of these State-based bodies, as recently clarified and confirmed, is to serve as a conduit for consultation with Indigenous parents and communities on educational matters, and as an independent source of policy advice to the Government on Indigenous education and training.

The Review is not in a position to judge the effectiveness of these State-based bodies as they currently operate, although it has been informed that the quality of their work and advice varies significantly from jurisdiction to jurisdiction – from excellent, in some cases, to mediocre in others. In principle, it supports the view that Indigenous people should have an opportunity to provide direct advice to government on Indigenous education needs and priorities, and should also be able to influence the design of Indigenous education policies and programs. On these grounds it supports the retention of the current program, while noting that some aspects of its operation may need to be kept under review.

RECOMMENDATION

- 19.** Indigenous Education Consultative Bodies should continue to be funded as a conduit for consultation with Indigenous parents and communities, and as an independent source of policy advice on Indigenous education and training, but their operational effectiveness should be kept under review.

CHAPTER 5.3: YOUTH AT RISK

The importance of youth at risk to the Indigenous reform agenda

While the cohort of youth is not explicitly identified within the COAG framework as a key Building Block for *closing the gap* in Indigenous disadvantage, a focus on Indigenous youth is implicit in the relevant education and employment targets. The Review has chosen to bring a spotlight to this cohort because youth comprise a high proportion of the Indigenous population (57 per cent under 25 years cf 33 per cent in non-Indigenous), plus this age range encompasses several critical transition periods for Indigenous Australians – that is, transitions from primary to secondary education, from schooling to employment, and from child to adult. These transition periods are uncertain phases for all young people, but especially for young Indigenous Australians.

If these transitions are not well navigated, then they present opportunities for significant harm to occur (both of an immediate and long lasting nature). In addition to transition periods as risky times, ‘youth’ in itself is a period of exploration, and emerging independence and self-identification; for some, risks for mental illness and substance use may emerge during this period; some research⁹³ also suggests that the brain development in young people sees them more susceptible to risk taking behaviours, vulnerability to peer pressures, emotionally volatility and impulsiveness adding to the pressures and stresses at this time.

As is detailed here and elsewhere in this Review, while some Indigenous youth do thrive in the diverse environments and life circumstances they grow up in, others struggle even to achieve very low aspirations – this unsatisfying outcome is not (solely, or even mostly) a consequence of their own actions and decisions; it chiefly stems from the practical impacts of long term disadvantage across many spheres combined with the poor performance and judgements from those around them whose role is to care, nurture and ‘grow them up strong’ – that is, their families, communities, governments, and services. For many, the absence of a substantial reference point of successful Indigenous people as role models sees some Indigenous youth choosing (more) harmful and destructive pathways: withdrawal from participation in education, employment, family/community life; and engagement in short term distractions (such as alcohol and other substance use, or even self harm).

In many cultural groups, Indigenous children are encouraged - by parents, families and communities - to develop their independence and autonomy from a very early age. When combined with other factors affecting their resilience and life course, Indigenous children of a significantly younger age group than others can become disengaged from education, become sexually active, experiment with high risk behaviours and scenarios, and become open to negative influences from both their peers and older persons. So, for the purposes of this Review, the age range for this cohort of ‘Youth At Risk’ is defined broadly - as age 8–24 years.

⁹³ K Winters, *Adolescent Brain Development and Drug Abuse*. University of Minnesota, 2006.

How are we faring?

Many of the indicators for health, education, employment and family functioning presented in this Report are directly relevant to Indigenous youth. In addition, the following information⁹⁴ highlights areas further demonstrating that Indigenous youth are at much higher risk of disengagement from the life opportunities afforded to non-Indigenous youth:

- young people (under 25 years) comprise 57 per cent of the Indigenous population cf 33 per cent of non-Indigenous population;
- 25 per cent fewer Indigenous 15-19 year olds are enrolled in education (around 50 per cent cf 76 per cent);
- 21 per cent fewer Indigenous 20-24 year olds are in post-secondary education (14 per cent cf 35 per cent);
- 13 per cent fewer Indigenous 15-19 year olds are employed (31 per cent cf 44 per cent) and 19 per cent fewer 20-24 year olds are employed (around 50 per cent cf 69 per cent);
- Indigenous young people who are employed are more likely to be in part-time, low-paid, insecure jobs, yet more Indigenous young people (24 per cent) 'highly valued' getting a job cf 16 per cent of non-Indigenous young people;
- Indigenous youth are over-represented in the child protection system, and both juvenile justice and adult criminal justice systems (Indigenous Australians are 14 times more likely to be imprisoned);
- more likely to be a victim of violence, with one third of 18-24 year olds reporting they have been a victim of violence in the past 12 months;
- more likely to be obese, and 23 per cent more Indigenous youth people smoke on a daily basis (50 per cent cf 27 per cent);
- young Indigenous women aged 15–19 years were 4.5 times more likely to have babies than all Australian women in this age group;
- rates of sexually transmitted diseases are substantially higher in Indigenous populations, generally, and even higher in remote and very remote regions⁹⁵;
- hospitalisation for mental health conditions was 1.7 times higher and there has been a significant increase in the gap between Indigenous Australians and other Australians between 1998-99 and 2005-06. Mortality from mental health conditions was 1.8 times higher for Indigenous Australians⁹⁶;
- rates of self harm is also high, with 16 per cent of Indigenous 12-17 year olds had seriously thought of ending their own life and 39 per cent of these reported they had attempted suicide in the last 12 months⁹⁷; and

⁹⁴ J Muir, K Mullan, A Powell, S Flaxman, D Thompson, & M Griffiths, *State of Australia's Young People: A Report on the social, economic, health and family lives of young people*, University of NSW, Sydney, 2009.

⁹⁵ National Centre in HIV Epidemiology and Clinical Research, *Blood borne viral and sexually transmitted infections in Aboriginal and Torres Strait Islander People: Surveillance and Evaluation Report*, University of New South Wales, Sydney, 2009.

⁹⁶ AHMAC, *National Aboriginal and Torres Strait Islander Health Performance Framework*. Canberra, 2009.

⁹⁷ SR Zubrick, SR Silburn, DM Lawrence, FG Mitrou, RB Dalby, EM Blair, J Griffin, H Milroy, JA De Maio, A Cox, & J Li, *The Western Australian Aboriginal Child Health Survey: The Social and Emotional Wellbeing of Aboriginal Children and Young People*, Curtin University of Technology and Telethon Institute for Child Health Research, Perth, 2005.

- around 8 per cent of Indigenous people aged 15 years and over reported that they had been removed from their natural family by welfare, the government or had been taken away to a mission; 38 per cent of Indigenous people aged 15 years and over had relatives that had been removed from their natural family⁹⁸.

On a more positive note, attachment to family plus retention of traditional culture and ties are strong protective factors for most, with many Aboriginal and Torres Strait Islander peoples retaining strong links to their traditional culture⁹⁹:

- 68 per cent reporting attending cultural events in the last 12 months;
- 70 per cent recognise their homelands;
- 90 per cent have support in times of crisis; and
- 54 per cent identify with a tribal group or language group.

However, when viewed in the overall context of the multiple and compounding disadvantages experienced by them, including for their parents/carers and broader community, Indigenous young people are at substantial risk in almost all indicators of falling behind the broader population in health, wellbeing, education, employment and other social dimensions.

Policy environment

National Youth Strategy

At its recent December 2009 meeting, COAG noted the development of a *National Youth Strategy*, led by the Commonwealth. Key priorities identified for early attention include:

- empowering young Australians in their schools, their institutes of technology and their universities to shape their own futures;
- supporting young Australians within their families;
- mobilising young Australians within their communities;
- improving young Australians' health and wellbeing;
- enabling young Australians to participate safely and confidently online;
- equipping young Australians with the skills and personal networks they need for employment;
- strengthening early intervention with young Australians to help prevent any problems getting worse and to help young people get their lives back on track; and
- establishing clear cut legal consequences for behaviours that endanger the safety of others.

While broadly inclusive of the issues affecting young Indigenous Australians, this policy framework does not appear to directly resonate with some of the particular and pressing needs facing many of them. It is expected that this *National Youth Strategy* will be launched in early 2010.

⁹⁸ Australian Bureau of Statistics, *National Aboriginal and Torres Strait Islander Social Survey*, ABS, Canberra, 2008.

⁹⁹ AHMAC, *loc. cit.*

Relevant COAG targets and National Partnership Agreements

While there are no COAG NPAs explicitly dedicated to the holistic issues affecting Indigenous youth per se, most are inclusive of Indigenous youth e.g. NPAs in *Health, Education, and Economic Participation*. Others aim to improve a range of social outcomes including for Indigenous youth e.g. NPAs in *Remote Housing*, and *Remote Service Delivery*. Overviews of these COAG NPAs are detailed elsewhere in this Report.

Of particular interest in this area is the *COAG NPA on Youth Attainment and Transitions*, agreed by jurisdictions in July 2009. This NPA provides over \$723 million (over four years) towards improving outcomes in educational attainment; engagement of young people aged 15-24 years with education, training and employment; and transitions of young people from school to further education, training or employment. It includes another COAG target of achieving a '*national Year 12 or equivalent attainment rate of 90 per cent by 2015*'. This mainstream NPA includes a specific focus for young Indigenous Australians, with specific objectives *inter alia* to '*develop a skilled and work ready Indigenous workforce by increasing the educational attainment and engagement of young Indigenous Australians*' and associated performance indicators by jurisdictions for levels of 'participation', 'engagement', 'attainment' and 'transitions'.

It focuses on five areas of reform (responsibilities):

- multiple learning pathways (states);
- career development (states, with Commonwealth in national projects);
- mentoring (states);
- school, business and community partnerships (Commonwealth); and
- individualised, personalised support for young people at risk (Commonwealth).

This NPA will be accompanied by a communications strategy targeting young people aged 15-24 years, parents and guardians, education and training providers and employers to support its implementation.

It will strengthen mandatory participation requirements to at least age 17 in each jurisdiction, lift qualifications by providing an 'entitlement' to education or training for young people aged 15 – 24 years, and will support successful transitions through new investments and collaborations, with a key focus on youth at risk.

In this NPA's Priority Area – *Supporting Successful Transitions* – it acknowledges that States and Territories will progressively assume primary responsibility for school/business/community partnerships, youth career and transitions programs, over time. In the interim, the Commonwealth will consolidate and streamline its current suit of youth, career and transition programs with a view to transfer of responsibilities to States and Territories at a future time.

This NPA became effective from July 2009. It represents significant progress in national efforts and investment to target those young Australians, especially Indigenous Australians, at risk of poor life outcomes.

Commonwealth and State policy roles

In youth policy and programs, States and Territories hold most of the usual policy and service levers, especially those targeting younger age cohorts:

- pre-school and education;
- training (joint with Commonwealth);
- sport and recreation;
- community youth services;
- family intervention including child protection services; and
- community health including substance use and sexual health, and mental health.

The Commonwealth's direct roles are relevant, although more limited and generally focussed on the older age cohort:

- employment;
- training (joint with states/territories);
- income support (as needed);
- higher education; and
- primary health care.

The Office of Youth within DEEWR coordinates Commonwealth policy in this area.

Therefore, any effective effort for youth at risk, especially for prevention and early intervention must involve a collaborative approach with States and Territories and other key stakeholders.

Petrol Sniffing Strategy and the 'Eight Point Plan'

Since 1998 the Commonwealth Government had measures of various kinds to address petrol sniffing in Indigenous communities. The *Comgas* Scheme, administered by DoHA, provided a subsidised non-sniffable fuel (aviation fuel or Avgas) to registered Indigenous communities as a replacement for standard petrol. Unleaded *Opal* fuel was launched in February 2005, replacing the supply of Avgas. The Government subsidises production and distribution of *Opal* as a harm minimisation and supply reduction strategy; the subsidy ensures that consumers pay the same amount for *Opal* as they would for regular unleaded fuel.

Aboriginal communities were prominent in pressing for coordinated action by governments to tackle petrol sniffing - their concerns reflected the high levels of petrol sniffing experienced in many communities, the potentially very severe physical damage (including death) that petrol sniffers can suffer, and the severe social damage and chaos that petrol sniffers can cause in communities – threatening 'to destroy an already fragile social system'.

In September 2005, the Government announced a comprehensive regional strategy to tackle petrol sniffing within the Central Desert Region, with support from the WA, NT and SA Governments – the '*Eight Point Plan*'. The goals of the *Plan* were to reduce the incidence and impact of petrol sniffing across the Central Desert Region, and also to evaluate the effectiveness of this strategy to determine whether it might appropriately be expanded to other regions with similar issues. It encompassed:

- roll-out of unleaded Opal fuel to affected communities, roadhouses and pastoral properties across the region;
- a uniform legal framework across the region dealing with petrol sniffing and mental health;
- appropriate levels of policing;
- alternative or diversionary activities for young people;
- activities to strengthen and support communities;
- rehabilitation and treatment facilities;
- a communication strategy; and
- evaluation.

In May 2006, the Australian Government expanded eligible zones for the *Eight Point Plan* to include an expanded Central Desert Region and East Kimberley (added in early 2007).

Current program arrangements

Mainstream Youth At Risk programs

The key recent Commonwealth program development is the *Youth Connections* initiative as part of the *NPA on Year 12 Attainment and Transitions*. This new Commonwealth program will provide \$286.7 million (over four years) for an improved safety net for youth at risk through tailored case management and support to help young people to re-connect with education and training and build resilience, skills and attributes that promote positive choices and wellbeing. Offered across 113 regions, *Youth Connections* provides a national, flexible, individualised and responsive service to assist young people who are most at risk of disengaging from education or training and therefore not attaining Year 12 or equivalent qualification and not making a successful transition to further study, training or work.

Youth Connections providers work with a spectrum of 'at risk' youth aged 15-24 years, including those who are most at risk of disengaging from school through to those who are severely disengaged from education, family and community. Service delivery has been designed to be flexible and seamless, and reflects the young person's personal situation and circumstances, aiming to build resilience and improve the personal skills and wellbeing of the young person.

Four types of services are available:

- Type One Services – assist those young people at school who are most at risk of disengaging from education by offering short term engagement and case management, low level intervention and/or small group work;
- Type Two Services – flexible and individualised case management to assist young people who are disengaging or who are severely disengaged, with the services tailored to meet the needs of the individual;
- Type Three Services – offer proactive, youth focused re-engagement activities and outreach services across an entire service region, with the primary aim of finding, connecting with and engaging severely disengaged young people; and
- Type Four Services –work to strengthen services for at risk young people and ensure that providers of other services in a region are connected, which will include building the capacity of education providers in the region.

Providers who operate in regions with a high proportion of Indigenous young people will be required to work with these cohorts of young people, and will need to demonstrate achievement of specified outcomes with these groups (expressed as a proportion of the outcomes expected for the youth at risk in that area).

Development and implementation of this and other elements under this NPA will be a collaborative effort with States and Territories to allow for flexibility of delivery in schooling and training sectors, removing duplication and overlap, complementing and adding value to current State and Territory based policies and programs, and making it easier for young people aged to get the assistance they need, when they need it.

Separately, *Reconnect* is another mainstream early intervention program for young people aged 12-18 years who are homeless or at risk of homelessness. It includes eleven (11) Indigenous specific services in metropolitan, regional and remote areas that provide counselling, group work, mediation and practical support to young people and their families.

Indigenous specific programs

There are few dedicated Commonwealth programs targeting Indigenous youth at risk, despite their poor health, social, education, and employment outcomes. The Review has identified 6 Indigenous specific Commonwealth programs located across FaHCSIA, DEEWR, DoHA, and AGD, involving total funding of \$65.5 million in 2009-10, and \$225.4 million over the four years to 2012-13 (noting that significant expenditure within AGD's *Indigenous Justice Program*, formerly known as *Prevention, Diversion, Rehabilitation and Restorative Justice Program* focuses on a broader target group than youth at risk). These programs are individually profiled in Attachment E.

In light of relevant Commonwealth and State and Territory responsibilities for youth initiatives and related services for young people, those dedicated Commonwealth programs for Indigenous youth that do exist are largely focussed at the 'crisis' end of the service spectrum - in particular, supporting youth initiatives as part of broader place-based interventions in designated petrol sniffing zones and the NTER. These programs focus on restoring community harmony, diverting youth from harmful behaviours and re-engaging them in education and family life.

Petrol Sniffing Strategy

Four Commonwealth agencies are involved in implementing the *Eight Point Plan* outlined above - FaHCSIA, DoHA, DEEWR, and AGD. Their respective roles (and programs) are:

- FaHCSIA: youth diversionary activities, strengthening and supporting communities, facilitating consistent legislation, appropriate levels of policing, evaluation;
- DoHA: rollout of Opal fuel, communication and education strategies, treatment and respite facilities (Substance use - Combating Petrol Sniffing; and Petrol Sniffing Diversion/Youth Wellbeing);
- DEEWR: alternative youth activities with FaHCSIA and AGD (Reducing Substance Use (Petrol Sniffing)); and
- AGD: alternative youth activities with FaHCSIA and DEEWR, strengthening and supporting communities (*Indigenous Justice Program*).

A 2004 evaluation report on the (earlier) 'Comgas' scheme recognised the value of substituting an alternative, non-sniffable fuel such as Avgas, but also argued that a strategy based just on limiting supply was not adequate. Instead, broad based strategies that deal with the full range of social determinants of health and wellbeing are essential, including assistance to stabilise communities and give them the capacity to deal with chronic and chaotic issues such as petrol sniffing. It is now widely recognised that socio-economic factors play a major part in the aetiology of petrol sniffing, including poverty, hunger, illness, low education levels, unemployment, boredom and general feelings of hopelessness. These form the environment in which such self-destructive behaviour takes place and as a result need to be addressed cohesively and concurrently through comprehensive intersectoral action.

Some elements of the *Plan* were responsibilities of State and Territory Governments, namely measures to improve policing in communities to reduce trafficking of illegal substances; measures to make substance abuse legislation consistent across jurisdiction; and provision of treatment and respite services. Several other elements were also incorporated: community patrols, restorative justice initiatives, and provision of preventative drug education strategies.

The Senate Inquiry report, *Beyond Petrol Sniffing: Renewing Hope for Indigenous Communities*¹⁰⁰ recognised the *Eight Point Plan* as an important and promising step in addressing petrol sniffing in a holistic manner. An independent review¹⁰¹ of the *Eight Point Plan* published in June 2008 highlighted the overall effectiveness of this comprehensive strategy in reducing petrol sniffing in the identified zones, while noting some areas for improvements.

The NTER

Youth in Communities (YIC) is Commonwealth Own Purpose Expenditure which forms part of the *Closing the Gap in the NT NPA* and aims to deliver a comprehensive youth strategy that provides an effective diversion for young Indigenous people from at risk behaviours; improves life choices and outcomes for young Indigenous people; and strengthens and improves the youth services infrastructure in key priority communities of the NT. The target group is youth at risk of substance abuse, suicide and intentional self-harm, or entering/re-entering the criminal justice system.

Other programs including young people

All Commonwealth efforts to improve educational outcomes are self-evidently directed towards Indigenous children and young people, and programs to improve economic participation are also heavily oriented towards young people. (See Schooling and Economic Participation sections in this Report for more details)

¹⁰⁰ Senate Community Affairs References Committee Secretariat, *Inquiry into Petrol Sniffing and Substance Abuse in Central Australia*, Canberra, 2006, viewed 29 January 2010, <www.aph.gov.au/Senate/Committee/clac_ctte/petrol_sniffing_substance_abuse08/index.htm>.

¹⁰¹ Urbis, *Review of the First Phase of the Petrol Sniffing Strategy: Final Report prepared for FaHCSIA*, Canberra, 2008.

In addition, programs supporting positive life choices for and by Indigenous young people include those targeting sexual health, substance use, mental health/social and emotional wellbeing and sport and recreation (see Health section for more details). While these health and sports' programs and services also target a broader range of Indigenous Australians, as issues such as sexual health, mental illness and substance use predominantly surface in teenagers, in practice these programs and services are heavily weighted towards addressing issues affecting Indigenous youth.

Employment programs, including pre-employment preparation and VET programs also target Indigenous young people.

Income support programs, where applicable, are also managed by the Commonwealth.

So while the Commonwealth's dedicated program mix for Indigenous youth at risk, specifically, is very limited, this landscape also needs to be viewed in the context of new initiatives for youth at risk, and the broader matrix of health, education, employment and income support initiatives.

Assessment of current program arrangements

Need for Indigenous youth strategy to better coordinate efforts, especially for those at risk

At the recent COAG meeting in December 2009, it was noted that the Commonwealth is developing a *National Youth Strategy*. It is expected that this *Strategy*, once finalised, would establish the generic policy objectives for young Australians. However, as evidenced throughout this Review, Indigenous youth face elevated risks and pressures to their health and wellbeing, educational experiences and outcomes, and employment prospects.

Currently Indigenous youth at risk programs across the Commonwealth are fractured across a number of agencies and small(er) programs, with little evidence of any active inter-agency coordination (outside of the *Petrol Sniffing Strategy*) and an absence of shared understanding of the role of different agencies and their programs in improving youth at risk outcomes.

There would be benefits from clarifying the core intent of some youth at risk programs, for the Commonwealth to clearly define its own role *vis a vis* State and Territory responsibilities to add value, facilitate and lead (where desirable) for issues of national interest or concern, rather than attempting to duplicate or confuse responsibilities. There is also a need to articulate strategies to better coordinate the Commonwealth efforts in this area. Given States' and Territories' key roles, there may also be value in securing their agreement in this area.

The Review also noted that the Minister for Indigenous Health through his advisory body – the National Indigenous Health Equality Council – is seeking to bring a holistic focus to strategies for improving outcomes for Indigenous adolescents. This work is expected to make a significant contribution to any supplementary policy framework (above) for Indigenous youth.

RECOMMENDATION

- 20.** DEEWR as the lead Commonwealth agency for youth, in consultation with other Commonwealth agencies, should develop an Indigenous youth policy strategy to better coordinate the Commonwealth's efforts in partnership with States and Territories.

Need to bring focus on younger (and older) Indigenous youth

As described in the outset to this section, young Indigenous people face elevated and extended risks of disengagement and harm from multiple and compounding sources. When combined with cultural factors operating in some language/tribal groups that encourage independence and autonomy in very young children, these risks are present much earlier and more forcefully for a much younger age cohort.

Recent COAG NPAs and Commonwealth programs targeting youth at risk generally define their target groups as 12-24 years (noting that some initiatives exclude young adults 19-24).

In some agency consultations, this age grouping was suggested as 'too late' for an effective intervention for Indigenous youth, and that a younger cohort were also at very high risk i.e. 8-11 years of disengagement or indeed had already succumbed to those risks by age 12.

It is noted that some Indigenous services in the *Reconnect* program also target a younger cohort of people at risk of homelessness i.e. from age 10, but flexibility for including younger groups would also be an opportunity for more effective and timely interventions for those high risk, very young children.

Within this broad age range, there is a need to develop age-appropriate interventions and support for sub-groups: 8-11 years, 12-17 years, and 18-24 years.

Focussing on an Indigenous at risk target group of age 8–24 years would also provide a seamless policy framework from the *National Early Childhood Development Strategy*, which targets age 0 – 8 years, and explicitly including the older cohort would recognise the likely need for an extended intervention and support program for some Indigenous youth who will experience recurrent episodes of dislocation and disengagement.

COAG should deliver greater emphasis on prevention and early intervention, but linkages with other services are still desirable 'on the ground'

Currently, most of the limited suite of Indigenous specific youth programs is focussed on place-based interventions - at the 'crisis' or tertiary end of the spectrum. This is especially the case with the youth diversion elements of the *Petrol Sniffing Strategy*. Certainly, the *Eight Point Plan* - as part of the *Petrol Sniffing Strategy* - has been demonstrated as an

effective Commonwealth strategy at this very ‘pointy end’ of an intervention, with a Senate reviews identifying the multifaceted nature of this crisis intervention as key to its success¹⁰².

Notwithstanding the priority afforded to an emerging crisis in any region and the need for an urgent response when some action is demanded, a more strategic preventive approach followed up with early intervention (where needed) is highly desirable to prevent young Indigenous people from experiencing greater harm. This approach is acknowledged as being cost effective.

According to new COAG arrangements, States and Territories now hold most of the key policy and program responsibilities for those service systems designed to develop personal and social capability and prevent harm to Indigenous youth. These new arrangements and their substantial new investments, especially in education, health, housing, plus greater focus in remote investments and activity should (in theory) deliver improved capabilities for the systems as a whole as well as individual service providers.

There is though still a need for governments and local service providers, collectively, to improve their cooperation and linkages at the local level, as well as an urgent need to learn from both our successes and our failures, and transfer these learnings to other contexts. At present, we do not do this coherently or effectively for Indigenous youth.

A greater role for culture, and sport and recreation as vehicles for (re)engaging disengaged youth

Research¹⁰³ consistently points to the benefits in engaging young people, especially youth at risk, using a ‘strengths’ based approach, rather than a ‘deficits’ based paradigm. In practice, this means utilising approaches that recognised and value the inherent resilience, strengths and capabilities within each person (or family or community) and building on those, rather than the standard approach of focusing on gaps, weaknesses, vulnerabilities and risks – these approaches do not ignore risks, but acknowledge that individuals and communities have a combination of risk factors and protective factors which shape their development.

In this context, evidence¹⁰⁴ supports the experiences of local youth workers and service providers (in Indigenous and non-Indigenous contexts) that demonstrates that developing and nurturing connections with their cultural heritage – connection to country, ceremony, music, dance, language, lore, etc – as well as modern culture – music, dance, media and technology, sport and recreation – are protective factors for young people as well as ‘soft entry points’ for engaging with those most at risk including those already marginalised and disengaged. This approach can also reinforce the position of traditional elders in Indigenous community life and become mutually strengthening.

¹⁰² Senate Community Affairs References Committee Secretariat, *loc.cit.*

¹⁰³ W Muller, *A Strength-Based Approach to Building Resiliency in Youth, Families and Community* (2005); W Hammond, *Nurturing Resiliency in Youth and Community*, Canada (2005); A Kalil, *Family Resilience and Good Child Outcomes: An Overview of the Research Literature* (2003); Youth Mentoring Network, *Building connections for youth mentoring in Aotearoa New Zealand*.

¹⁰⁴ SR Zubrick, SR Silburn, DM Lawrence, FG Mitrou, RB Dalby, EM Blair, J Griffin, H Milroy, JA De Maio, A Cox, & J Li, *loc. cit.*

The Review is of the view that the Commonwealth's cluster of Indigenous culture programs and its Indigenous sport and recreation programs could be more clearly connected with the Government's strategic policy objectives, in particular the *Closing the Gap* targets and Building Blocks and especially its objectives for youth and youth at risk.

This potential is largely untapped in the Commonwealth's approach to youth programs, aside from limited experience with locally designed and community driven interventions to address substance use¹⁰⁵. Far greater leverage could be made of these programs in engaging Indigenous youth at risk and supporting them to re-motivate themselves towards a healthy, strong and vibrant future for themselves and their families. This is especially so for those Indigenous youth who are identified early as at risk of poor educational outcomes – given the lifelong detrimental impact from a poor education.

RECOMMENDATION

- 21.** The Indigenous Youth policy strategy should focus on those at risk of disengagement (or already disengaged) from education systems, health and social services, and future economic participation, and as a result facing poor(er) life outcomes. The document should consider:
- identifying linkages to the *National Strategy for Young Australians*;
 - 21.1.** clarifying respective Commonwealth agencies' roles and responsibilities in this area;
 - 21.2.** acknowledging States and Territories' major roles, with the Commonwealth's role being clearly defined to add value rather than duplicate their efforts;
 - 21.3.** incorporating the work currently being driven by the Minister for Indigenous Health and align with broader Health Reform directions;
 - 21.4.** addressing policy and program requirements including age-appropriate responses for both younger and older cohorts– i.e. age 8 to 24 years, with the option to extend to 28 years in some cases;
 - 21.5.** addressing prevention and early intervention strategies;
 - 21.6.** giving emphasis to strength-based approaches, noting the rationale and role for culture and family as protective factors and use of sport and recreation programs as engagement vehicles;
 - 21.7.** requiring local implementation plans that link local services, including education, training, employment and health (including mental health and substance use) services, as well as the service mechanisms needed for better coordinated and collaborative service delivery at the local level; and
 - 21.8.** giving consideration to the specific needs of Indigenous youth in remote areas, including adequacy of accommodation, mobility assistance and

¹⁰⁵ Australian Indigenous Health Info Net, *Mt Theo-Yuendumo Substance Misuse Program*, 2009, viewed, <www.healthinfonet.ecu.edu.au/health-resources/programs-projects?pid=190>.

pastoral care arrangements in regional centres.

Need for consolidation of Commonwealth initiatives under a lead agency to foster coherence, greater effect and sustainability

Currently there are four Commonwealth agencies with (albeit, limited) programs targeting Indigenous young people, especially those at risk:

- DOHA – rollout of Opal as part of the Petrol Sniffing Strategy plus some associated youth diversion, social and emotional wellbeing, substance use, sexual health, antenatal/postnatal care for young mothers and their children, Indigenous sport and recreation;
- FAHCSIA – family support and homelessness programs, funding for youth workers in NT, overall coordination of the Petrol Sniffing Strategy and liaison with States and Territories (where relevant);
- AGD – youth diversion initiatives as part of Petrol Sniffing Strategy, the youth diversion elements of the *Indigenous Justice Program*; and
- DEEWR – national policy for youth within Office of Youth, responsibility for Youth Connections program, plus some programs to engage youth in education, and diversions initiatives as part of Petrol Sniffing Strategy.

These existing initiatives – especially of the ‘youth diversion’ type - are presently limited in impact by their small scale, are fragmented in their purpose, and uncoordinated. As part of the Review consultations, some program officers were unable to express any clear sense of the role of other agencies and were also uncertain whether other agencies administered any youth initiatives. Whilst there is little evidence of any coordination across the Commonwealth, there was none evident with States and Territories that otherwise would have chief responsibilities here.

There is a clear need to consolidate the dedicated youth programs in a single agency under a coherent policy with agreed coordination strategies. In doing so, a consolidated program should have a structure that addresses the multiple objectives and distinct emphases of the various youth diversion initiatives, and governance arrangements that provide for ongoing input by relevant agencies. These dedicated program arrangements should also articulate into and link with other related policy and programs e.g. COAG targets, education, employment, adolescent health programs, sport and recreation programs, culture programs, as well as the place based interventions in the *Remote Service Delivery Strategy*, and NTER. This reformed program responsibilities should provide potential for greater effect through consolidation and improved alignment, including linkages with the mainstream program – *Youth Connections*. It will also provide for more flexibility in approach and funding arrangements

In addition, the Commonwealth’s small number of youth programs has also come under repeated criticisms from community organisations for the staccato nature of the funding arrangements, with annual application rounds and no guarantee of continuing funds from one year to the next. This is especially a concern in remote regions, where attracting and retaining skilled and inspiring youth workers is very challenging.

In consolidating these programs under one lead agency and revising program guidelines, longer-term sustainable funding arrangements need to be part of this reform.

Consideration may also need to be given to transferring these programs to the States and Territories in future.

RECOMMENDATION

22. Current Indigenous youth at risk programs, as identified here, should be consolidated within DEEWR and broadbanded and aligned with the Commonwealth policy objectives for Indigenous youth, with supportive sustainable funding arrangements applying. The consolidated program should comprise:

- 22.1.** the youth diversion elements of the *Petrol Sniffing Diversion Project/Youth Wellbeing* program (DoHA);
- 22.2.** the youth diversion elements of the *Indigenous Justice program* (formerly known as the *Prevention, Diversion, Rehabilitation and Restorative Justice* program) (AGD);
- 22.3.** *Reducing Substance Use (Petrol sniffing)* (DEEWR); and
- 22.4.** *Closing the Gap in the NT - Youth in Communities* (FaHCSIA).

Include a focus on ‘young people who have been failed by the system(s)’

In Australia, there already exists a largely hidden cohort of Indigenous young people – young people aged 12 to 28 years who have dropped out of education (or will soon enough), who have few genuine chances of meaningful employment, irrespective of whether they reside in remote or urban areas largely because they did not acquire fundamental literacy and numeracy and other prerequisite vocation skills, and/or that they now lack the motivation to do so.

These young people are far more than ‘at risk’; they have succumbed to that risk and are already disengaged and disconnected. They have effectively been ‘failed’ by past policies and services and people designed to provide them with care, support, skills and purpose, and for whom life now holds little promise.

These young people intermittently come into contact with formal service systems – be that:

- income support – Newstart/Job Search Allowance, parenting and other payments/pensions;
- health services for episodes of physical illness (potentially ending in a chronic condition), psychological unease and/or mental illness which predominantly emerges during teenage years;
- substance use services to treat addictions and/or co morbidities with mental health;
- VET/job search agencies for preparation/VET courses and (sporadic) work; or
- juvenile justice and adult corrections services where prospects are even more grim and the lessons learnt even harder.

In some cases, young Indigenous women find greater meaning and valued roles in becoming mothers. But at such a young age, both their children and they face a difficult future.

The recent COAG *NPA on Year 12 Attainment and Transitions* seeks to explicitly target some of this cohort, including through the *Youth Connections* program to provide intensive and personalised support to re-engage this disengaged group, and seek to put their lives back on track. However, there remains some uncertainty about the reach and effectiveness of the service providers in this program (largely, existing providers from previous program arrangements) and some suggestions that they may yet still 'cream' their intended client group.

Youth Connections is also a mainstream program targeting a broad(er) range of youth at risk. The program reporting framework has very usefully embedded reporting of Indigenous outcomes from its mainstream service providers. It will be vital to have in place effective monitoring mechanisms to make early assessment of the reach, actual (vs intended) client mix, and effectiveness of these services and whether or not they are truly meeting the needs of the intended cohort.

The Review notes that *Youth Connections* service providers are already contracted, so any changes in targets (if desired) will need careful management. Funding levels may also need to be kept under review in the light of monitoring of the outcomes of the program for Indigenous youth.

For some youth and particularly for those in their twenties it will be more appropriate to address their circumstances as potential participants in the labour market. The Commonwealth's key policy levers here are focussed on income support, employment (plus related support), and health. There are strong (and mutually reinforcing) links between access to income support and employment services under Commonwealth arrangements.

The national network of employment services is expected, in theory, to work with this cohort and assist them into pre-employment training and work. However, the unintended consequence of the current structure of employment services' funding and incentives frequently sees 'high maintenance' clients like this cohort on a conveyor belt of perpetual introductory and low-level preparatory VET courses, and erratic work experiences. If these young people's lives are to find a new course, they will need intensive and personalised case management. This form of intervention is provided for (in the NPA) and is also expensive; however, the costs (social, economic, human) of not doing anything are even higher and, all too often, tragic.

It should also be recognised that young Indigenous people from remote regions who need to relocate to larger centres and towns to complete their education and/or take up employment opportunities are vulnerable in these foreign (to them) environments, especially those young people from more traditional communities. Should appropriate support, care and supervision not be available to them in their new environments, then their futures may also be compromised (see **Recommendation 21** above).

RECOMMENDATION

- 23.** Service provider performance in the new mainstream *Youth Connections* program should be monitored to ascertain whether it is delivering on its intended objectives and target groups, including for Indigenous youth and especially for those who are outside existing service mechanisms.
- 23.1.** Subject to the monitoring of performance, program guidance or funding should be adjusted to achieve the desired outcomes for Indigenous youth. For those service regions that have been defined as having significant populations of Indigenous young people, *Youth Connections* will deliver personalised support to Indigenous youth at risk with target outcomes set as a proportion of the total outcomes achieved for young people at risk in those regions.

Released under FOIA

CHAPTER 5.4: HEALTH

The importance of health to the Indigenous reform agenda

Health is regularly identified as one of the most important issues for Australians¹⁰⁶ - a healthy population is critical to our national economy, our national security and arguably, our national identity.

For Indigenous Australians, the concept of good health and wellbeing encompasses not just the physical wellbeing of the individual but the social, emotional and cultural wellbeing of the whole community, including the whole of life cyclical view of life-death-life, and the capacity for self determination and fulfilment in all aspects of their lives, of connection to land and strength of culture, of dignity, of community self-esteem and of justice¹⁰⁷.

It is notable that the gap in life expectancy between Indigenous and non-Indigenous Australians was the centrepiece for the community-led *Close the Gap* campaign and the catalyst for COAG's agreement to a range of *Closing the Gap* targets and concerted action by all governments to address Indigenous disadvantage.

Life expectancy, and other health outcomes, for Indigenous Australians derive from the cumulative effect of disadvantage across a number of spheres – access to quality health care, education levels, employment, income, housing and rates of incarceration. Recent analysis¹⁰⁸ reveals that each of the following factors share an equivalent contribution for the gap in life expectancy between Indigenous and non-Indigenous Australians:

- poor access to quality health care, especially primary health care;
- low(er) income, employment and education levels combined with overcrowded housing; and
- unhealthy behaviours, such as smoking, diet/nutrition, alcohol consumption and physical activity.

In 2004, a major review¹⁰⁹ of primary health care for Aboriginal and Torres Strait Islander people found:

No amount of investment in housing, education, employment, infrastructure, or other potentially health promoting public policy can replace the functions of health care; but the effectiveness of health care can be greatly enhanced by the positive impacts of healthy public policy.

¹⁰⁶ *A Healthier Future for All Australians – Final Report of the National Health and Hospitals Reform Commission – June 2009*, Canberra, 2009.

¹⁰⁷ *National Aboriginal Health Strategy*, prepared by the National Aboriginal Health Strategy Working Party, Canberra, 1989.

¹⁰⁸ Department of Health and Ageing, *Addressing life expectancy disparities between Indigenous and non-Indigenous populations in Australia*, prepared for the Secretaries Group on Indigenous Affairs, 2007; DSI Consulting Pty Ltd & DJ Benham, *An Investigation of the Effect of Socio-Economic Factors on the Indigenous Life Expectancy Gap*, 2009.

¹⁰⁹ S Dwyer, K Silburn, & G Wilson, *National Strategies for Improving Indigenous Health and Health Care: Aboriginal and Torres Strait Islander Primary Health Care Review*, Canberra, 2004.

Therefore, action to address the social determinants of health must parallel efforts within the health sector to close the gap in life expectancy and achieve COAG’s goals and targets. Within the health sector itself, addressing these disparities will demand whole-of-government action (by all Australian governments) combined with efforts from health workers in all settings, from communities and from individuals.

The COAG targets

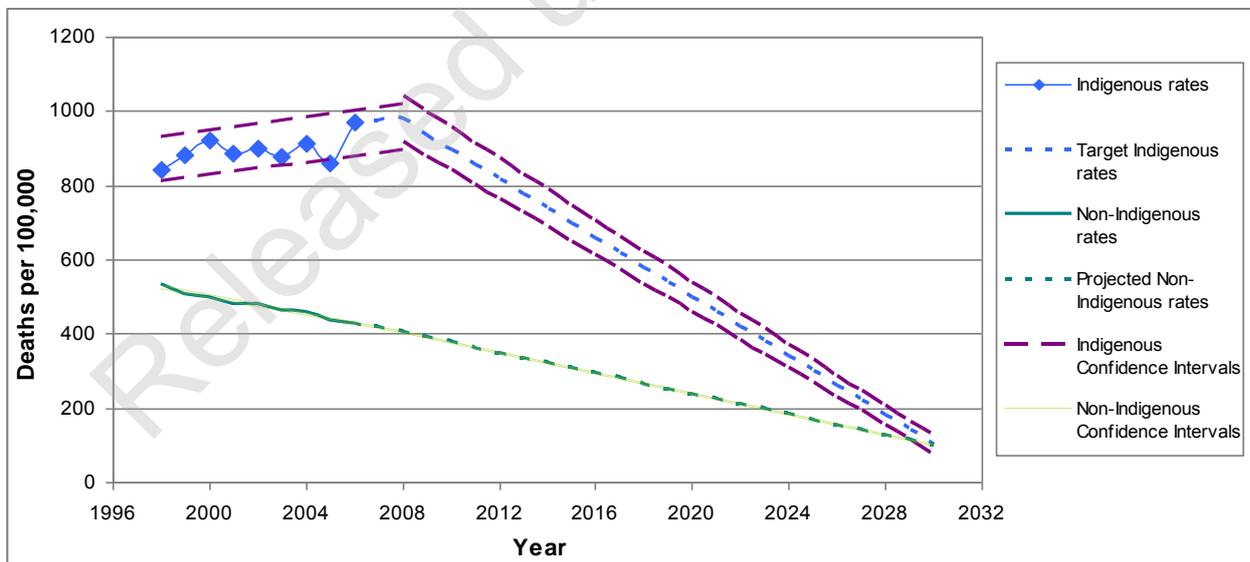
In December 2007, COAG agreed two Indigenous health targets:

- To close the gap in life expectancy between Indigenous and non-Indigenous Australians within a generation; and
- To halve the gap in mortality rates for Indigenous children under five within a decade.

Note: the second of these targets (childhood mortality) is covered in the Early Childhood Development section of this report).

Aboriginal and Torres Strait Islander people experience poorer health outcomes than non-Indigenous Australians across the life cycle¹¹⁰: from lower birth weight; earlier onset of some chronic diseases; much higher incidence of a wide range of illnesses; higher prevalence of many stressors impacting on social and emotional wellbeing; higher death rates; and lower life expectancy. The headline indicator used to profile this disadvantage is the gap in life expectancy, currently estimated to be 11.5 years for males and 9.7 years for females, nationally. The following table shows the current life expectancy gap, including the significant change in trajectory needed to achieve the COAG target.

Figure 5.3.1: Estimated Chronic Disease Related Mortality Rates by Indigenous status New South Wales, Queensland, Western Australia, South Australia and the Northern Territory, 1998-2030



Source: Australian Institute of Health and Welfare (AIHW) National Mortality Database, 2006. Note, this figure provides an interim measure for monitoring progress towards closing the gap in life expectancy because the majority of the gap in life expectancy and mortality is caused by excess deaths due to chronic disease.

¹¹⁰ For more detailed information, see Australian Health Ministers’ Advisory Council (AHMAC). 2008. *Aboriginal and Torres Strait Islander Health Performance Framework Report 2008*. AHMAC. Canberra.

Clearly achieving the COAG target for Indigenous life expectancy will be a major challenge, with some commentators already labelling this target '*aspirational*'¹¹¹. These commentators note that the current gap in life expectancy is growing, not declining, as can be seen from the above national projections figure, and that turning around this trajectory will require monumental reforms and effort from all parts of the health sector. That is, while the barriers to better health care affecting Aboriginal and Torres Strait Islander people are not entirely unique to this population (as revealed in the National Health and Hospital Reform Commission Report¹¹²), they have a more profoundly negative impact due to the pre-existing poor health of Indigenous Australians, and that the trajectory for poor health outcomes for the current generation is already embedded and will take generations to shift.

What needs to be done?

In parallel with efforts to address the social determinants of health (education, employment and housing), the very high (and increasing) rates of chronic disease demand that governments, health services and individuals focus on their risk factors and associated health system performance issues:

- *Primary prevention and health promotion:*
 - communities and individuals should be supported to adopt healthy(er) lifestyles and reduce risk factors for chronic disease, especially smoking, harmful alcohol intake, poor nutrition and low levels of physical activity;
 - where Indigenous people are at risk of and/or have a chronic disease, they need information and support to both prevent onset of more serious consequences and to better manage the long-term sequelae of chronic diseases;
- *Early detection coupled with improved management and treatment:*
 - Aboriginal and Torres Strait Islander people need better access to quality primary health care in all regions – urban, regional and remote - to enable earlier detection and intervention in early stages of disease;
 - improved linkages and coordination of care with allied health providers, secondary and tertiary care services to improve management and treatment of complex conditions;
 - access issues routinely reported by Indigenous Australians, including cost, transport and cultural appropriateness, must be addressed;
- *Improving the capacity of the health workforce:*
 - to identify and proactively engage with Aboriginal and Torres Strait Islander people in their service catchment (especially mainstream health providers such as general practitioners (GPs)); and
 - to provide sensitive and specialised health care for the specific needs of Aboriginal and Torres Strait Islander people.

To deliver on the commitment for closing the gap in Indigenous health, all governments, health service providers and individuals must acknowledge their role and take responsibility for more responsive health care for Aboriginal and Torres Strait Islander people.

¹¹¹ Hoy, W. 2009. *Closing the gap by 2030: aspiration versus reality in Indigenous Health*. In MJA May 2009.

¹¹² National Health and Hospital Reform Commission, *A Healthier Future for All Australians: Final Report June 2009*, Canberra, 2009.

RECOMMENDATION

- 24.** The Commonwealth's approach in Indigenous health should be to build on the success of OATSIH's dedicated focus on enhancing the health profile of the Indigenous community, while ensuring appropriate attention to Indigenous needs within the mainstream health system.

Policy environment and strategies for change

Reforms for our health system

The Australian health system has many strengths and satisfies the health needs of most, but it is also a system under growing pressure - from an ageing population, increasing demands for (and costs of) health care, growing concerns about safety and quality, workforce shortages, inefficiencies, and unacceptable inequities in health outcomes and access to services – especially for Aboriginal and Torres Strait Islander people.

Three major reviews have recently presented reports to Government outlining cases for change and proposals for reform of the Australian health system.

National Health and Hospital Reform Commission

This comprehensive review conducted over 18 months proposes 122 recommendations for change under three key reform goals, as outlined here.

- Tackling major access and equity issues, through:
 - improving health outcomes for Aboriginal and Torres Strait Islander people;
 - improved access to dental health care;
 - timely access to quality care in public hospitals; and
 - National Access Targets.
- Redesigning our health system to meet emerging challenges, through:
 - embed prevention and early intervention;
 - connect and integrate health and aged care services; and
 - 'next generation' of Medicare.
- Creating an agile and self-improving health system, through:
 - strengthened consumer engagement and voice;
 - modern, learning and supported workforce;
 - smart use of data, information and communication;
 - well-designed funding and strategic purchasing; and
 - knowledge-led continuous improvement, innovation and research.

Substantial changes to health governance and architecture between Commonwealth and States and Territories are also proposed.

RECOMMENDATION

25. Note that the Health Reform agenda may have implications for the division of responsibility between the Commonwealth and the States for funding and delivery of both mainstream health services for Indigenous Australians as well as Indigenous-specific health.

National Preventative Health Taskforce

The *National Preventative Health Strategy* is a blueprint for tackling the burden of chronic disease caused by obesity, tobacco, and excessive consumption of alcohol. The Strategy's recommendations are directed at primary prevention and identify seven directions to ensure a comprehensive approach:

- shared responsibility – developing strategic partnerships – at all levels of government, industry, business, unions, the non-government sector, research institutions and communities;
- act early and throughout life – working with individuals, families and communities;
- engage communities – act and engage with people where they live, work and play; at home, in schools, workplaces and the community. Inform, enable and support people to make healthy choices;
- influence markets and develop coherent policies – for example, through taxation, responsive regulation, and through coherent and connected policies;
- reduce inequity through targeting disadvantage – especially low socioeconomic status (SES) population groups;
- Indigenous Australians – contribute to 'Close the Gap'; and
- refocus primary healthcare towards prevention.

Each of these strategic directions requires infrastructure to support action, coordinated and driven via the proposed National Preventive Health Agency working with a range of national, state and local partners.

Draft National Primary Health Care Strategy

The *Draft National Primary Health Care Strategy (the Draft Strategy)* is Australia's first such document, and serves as a road map to guide future policy and practice in primary health care in Australia. It reinforces the directions identified by the National Health and Hospitals Reform Commission in recognising that a strong and efficient primary health care system is critical to the future success and sustainability of our health care system.

The *Draft Strategy* identifies 5 key building blocks which are considered essential system-wide underpinnings for a responsive and integrated primary health care system for the 21st century:

- Regional integration;
- Information and technology, including eHealth;
- Skilled workforce;
- Infrastructure; and

- Financing and system performance.

COAG National Partnership Agreements

National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes

To support achievement of this Indigenous life expectancy target, COAG agreed in November 2008 to a \$1.6 billion National Partnership Agreement, with the Commonwealth contributing \$805.5 million and states collectively contributing \$771.5 million. This NPA has identified five Priority Areas (jurisdictional responsibilities):

- *Tackle Smoking* (Commonwealth and States and Territories);
- *Primary Health Care that Delivers* (Commonwealth and States and Territories);
- *Fixing the Gaps and Improving the Patient Journey* (Commonwealth and States and Territories);
- *Healthy Transitions to Adulthood* (States and Territories); and
- *Making Indigenous Health Everybody's Business* (States and Territories).

NPA Implementation Plans have been negotiated and agreed with most jurisdictions, with negotiations continuing with Queensland. As part of these Implementation Plans, several major system reforms have been agreed multilaterally. These include '*introducing minimum service standards for all organisations providing primary health care services to Aboriginal and Torres Strait Islander populations*'.

National Health Care Agreement

The *National Health Care Agreement* (NHCA) spans 2009-2014 and is the principle funding instrument for health services provided by States and Territories. The NHCA encompasses the collective efforts of Commonwealth and States and Territories on prevention, primary and community care, hospital and related care and aged care. The Agreement sets out:

- the objectives and expected outcomes and outputs, including a focus on social inclusion and addressing Indigenous disadvantage;
- the role of each jurisdiction, and the responsibilities they undertake to be accountable for;
- the policy and reform directions that will be undertaken to work towards the intended outcomes;
- performance indicators that will inform the community on how governments are progressing towards achieving the stated objectives, outcomes and outputs; and
- performance benchmarks that provide an indication of the standard of service expected or the level of improvement expected in service delivery over a specified period.

Of particular interest in this new NHCA is the focus on improving Indigenous health outcomes and inclusion of the COAG health-related *Closing the Gap* targets. For the first time, it also includes the requirement for States and Territories to report system performance and outcomes by Indigenous status for around 80 per cent of the NHCA indicators. This new reporting development is a very powerful tool for transparency; it will shed a spotlight on key sentinel indicators of health system performance in particular regions, and leverage improved health care for Indigenous Australians.

Other NPAs – Indigenous Early Childhood Development, Preventive Health, Health Workforce, e-Health

To the extent that these other NPAs are implemented with care for the needs of Indigenous people, they too can deliver significant benefits for Aboriginal and Torres Strait Islander Australians. The reforms outlined in these NPAs echo calls for an increasing emphasis on prevention and health promotion, to expand and improve the quality and flexibility of the health workforce, and deliver timely and accurate health records for health professionals and consumers.

(Note, the *NPA on Indigenous Early Childhood Development* is discussed in 5.1 Early Childhood Development)

National Strategic Framework for Aboriginal and Torres Strait Islander Health 2003-2013

Prior to recent COAG developments, the *National Strategic Framework* was the principle policy for Aboriginal and Torres Strait Islander health. Framework Agreements, signed by each government and the Aboriginal and Torres Strait Islander community controlled health sector were also a feature of this policy. As part of these Framework Agreements, each government developed an Implementation Plan, according to their agreed roles and responsibilities. While the objectives and strategies in this document have largely been superseded by recent policy and program developments, these Framework Agreements also established key Indigenous health architecture that is still highly relevant and a cornerstone of a collaborative approach by governments and Indigenous communities to address Indigenous health disparities:

- Indigenous Health Partnership Forums in each jurisdiction, comprising the Commonwealth, States and Territories and the state affiliate of the National Aboriginal Community Controlled Health Organisation (NACCHO)¹¹³. These Partnership Forums are a critical vehicle for consultation, regional planning, and service/sector development in each jurisdiction. Membership of these Partnership Forums has been extended to Divisions of General Practice to engage mainstream health services (especially GPs) in a shared approach to improving the health and wellbeing of Indigenous Australians.
- Regional Planning provides an evidence-based tool to address health inequalities including prioritising health investments from both the Commonwealth and States and Territories towards those regions of highest need.

Health expenditure and use of health services by Aboriginal and Torres Strait Islander people

In 2006-07, it is estimated that for every \$1 spent on the health of non-Indigenous Australians, \$1.22 was spent on Indigenous Australians¹¹⁴. While this health expenditure is

¹¹³ NACCHO is the national peak organisation representing Indigenous community controlled health services across Australia. NACCHO Affiliates in each jurisdiction represent these health services at the jurisdictional level, and provide a range of advocacy, organisational, professional and clinical support services to and on behalf of its member services.

¹¹⁴ Australian Institute of Health and Welfare, *Expenditures on health for Aboriginal and Torres Strait Islander peoples 2006-07*, Canberra, 2009.

higher than some may have expected, it does not equate to their much greater need for health care. The profile of this expenditure is also very different for Indigenous people compared with non-Indigenous people:

- For Indigenous Australians – 50.7 per cent from States and Territories, 41.3 per cent from Commonwealth, and 6.5 per cent from private/own sources; whilst
- For non-Indigenous Australians – 22.2 per cent from States and Territories, 40.5 per cent from Commonwealth, and 29.2 per cent from private/own sources.

Indigenous Australians are comparatively low users of medical services, pharmaceuticals and dental care¹¹⁵, with Indigenous expenditure for *Medicare* 58 per cent that of non-Indigenous Australians (up from 45 per cent in 04-05), and *Pharmaceutical Benefits Scheme* expenditure estimated at 60 per cent of non-Indigenous expenditure (up from 51 per cent in 04-05). Expenditures on dental and other health practitioners are also low at 40 per cent of non-Indigenous expenditures.

This expenditure profile reflects Indigenous Australians greater use of publicly funded health services including public hospitals and community health services (including Aboriginal Medical Services (AMSs)) than non-Indigenous Australians and comparatively low users of (mostly private) medical, pharmaceutical, dental and other private health services.

Indigenous usage of primary health care services - considered the front door to the health system – is of importance here also. According to surveys¹¹⁶:

- around 60 per cent attend a mainstream GP;
- around 30 per cent access an AMS; and
- around 10 per cent use hospital outpatient/emergency services or have no regular health care provider.

Strategies for change

The key points that can be drawn from this policy and health expenditure environment highlight:

- Commonwealth and States and Territories each have major roles to play in addressing Indigenous health disparities;
- core mainstream health financing tools e.g. *Medicare*, the PBS and the NHCA need to deliver on greater access to quality health care for Indigenous Australians;
- mainstream health services, including GPs, must be actively engaged in and responsive to their Indigenous clients' health and wellbeing needs;
- Indigenous Health Partnership Forums and a shared approach to regional planning are cornerstones to addressing health system/service inequalities;
- Indigenous specific primary health care services, including AMSs, are an integral part of the health sector's response to improving Indigenous health outcomes;
- closing the gap in health outcomes will not be achieved without substantial gains in other key sectors such as education, employment, and housing;

¹¹⁵ *ibid* .

¹¹⁶ Australian Bureau of Statistics, *National Aboriginal and Torres Strait Islander Social Survey*, ABS, Canberra, 2004.

- Indigenous Australians need education, support and enhanced personal agency to assist in addressing barriers they experience to better health outcomes including lack of knowledge of risk factors for chronic illness and disease, support and personal skills to adopt healthier lifestyles, and support with cost, transport and other issues (such as lack of cultural knowledge by non-Indigenous staff) which deter their effective use of mainstream health services;
- other health system reforms to improving early detection and management of chronic disease - including regular health checks, enhanced coordination of care, better linkages from primary health care across the referral pathways into the broader health system, and leadership and focussed skill development in the health workforce, are also key to the solution; and
- mainstream health reforms currently being canvassed could have significant implications for the delivery of health care for Indigenous Australians, but implementation of these reforms is still uncertain, and of themselves will be insufficient to achieve the COAG targets and commitments to close the gap in Indigenous health outcomes.

Sports policy

In December 2009, the Commonwealth released the *Crawford Report*¹¹⁷ following an independent review of Australia's sports policy. While this review has widely ranging terms of reference, it also gave some consideration to sport and recreation policies and programs for Indigenous Australians. In this regard, this report found:

- all levels of government were involved in the delivery of sport and recreation services to Indigenous Australians, with almost \$45 million committed by Commonwealth (\$29.8 million from five agencies) and States and Territories (around \$15 million from 10 agencies) in 2008-09; local governments also play key roles in maintaining local sporting and recreation facilities;
- limited funding, duplication of activities, limited strategic direction and limited understanding of the sports industry has resulted in an inefficient, fragmented, and under-resourced approach, worsened by the absence of a national strategic policy framework;
- sport and physical recreation can be a key vehicle for delivery of health and social messages to Indigenous Australians, particularly for youth at risk; and
- stakeholder feedback included comments that an excessive proportion of Commonwealth funding is absorbed in management and administration compared with delivering programs, activities and/or resources.

The Australian Government response to the *Crawford Report* is expected in early 2010.

It is also noted that on 14 December 2009, the Sport and Recreation Ministers' Council agreed to review the current sport and recreation programs targeting Indigenous Australians to identify '*opportunities to improve the delivery of sport and recreation services to Indigenous Australians*' by 30 June 2010, with a focus on assessing the need for national

¹¹⁷ Independent Sport Panel, *The Future of Sport in Australia*, Canberra, 2009.

coordination of Indigenous sports' policy and programs, mapping existing investments, identifying best practice models, and options to realise greater gains.

Current program arrangements

In the early 1970s, the first Aboriginal Community Controlled Health Service¹¹⁸ (also known as an Aboriginal Medical Service or AMS) was established in Redfern in response to a range of barriers inhibiting local Aboriginal access to mainstream primary health care services, and in recognition of the principles of self-determination. Through the development of the AMS network across Australia – there are now over 170 AMS in urban, regional and remote areas – Indigenous people sought to set their own directions for health services and the health professionals who worked in them.

In 1995, policy and program responsibility for Indigenous health, including funding AMSs, transferred from ATSIC to the Commonwealth Department of Health and Ageing (as now known).

Since then, the current suite of Indigenous health programs has grown substantially, with most funding growth in the last 3-5 years, and major new commitments associated with new COAG NPAs. Health funding priorities have concentrated on primary health care and other key health and wellbeing issues affecting Aboriginal and Torres Strait Islander people. The Review has identified 37 Indigenous specific Commonwealth programs within the health domain, overwhelmingly within the Health portfolio and a small number located in DHS and FaHCSIA, involving total funding of \$896.4 million in 2009-10, and \$4,104 million over the four years to 2012-13. These programs are individually profiled in Attachment E, and can be broadly categorised as follows:

Primary health care

This program comprises core grant funding to 255 Indigenous health organisations including AMSs, other Indigenous primary health care services such as those provided by States and Territories in remote regions, and other providers for comprehensive primary health care and related services. Indigenous comprehensive primary health care services are a relatively unique feature in the Australian health care system. Key features include:

- clinical services (including the treatment of acute illness, emergency care and the management of chronic conditions);
- population health programs such as immunisation, antenatal care, screening and specific health promotion programs;
- specific public health programs for health gain (e.g. nutrition, social and emotional wellbeing and substance misuse);
- facilitation of access to secondary and tertiary health services and related community services such as aged care and disability services; and
- client/community assistance and advocacy on health related matters within the health and non-health sectors.

¹¹⁸ NACCHO defines an Aboriginal community controlled health service as a primary health care service initiated by local Aboriginal communities to deliver holistic and culturally appropriate comprehensive primary health care to people within their communities. Their board members are elected from the local Aboriginal community.

Funding within this primary health care program also supports AMSs to achieve accreditation under mainstream primary health care service standards, improved governance and management, as well as capital works for clinical facilities and staff housing in remote areas.

Whilst the Commonwealth is the principle funding source for Indigenous primary health care, in the last few years AMSs are now also receiving some funding from States and Territories, and in some jurisdictions States and Territories operate Indigenous-specific primary health care services, particularly in remote areas.

Healthy for Life

Introduced in 2005-06, the *Healthy for Life* program was the first major new investment in Indigenous primary health care since the mid 1990s. Its objective to improve child/maternal health outcomes and chronic disease care using continuous quality improvement (CQI) approaches and an outcomes-based performance reporting framework was a landmark development. These CQI approaches and outcomes-based reporting is now a model for all Indigenous primary health care service funding and the web-based reporting tool originally developed to support service reporting under *Healthy for Life* is now being rolled out across all Indigenous primary health care services.

Indigenous Chronic Disease Package

In November 2008, as part of the *NPA on Closing the Gap in Indigenous Health Outcomes*, the Commonwealth committed \$805.5 million (over four years) to an *Indigenous Chronic Disease Package*. This Package comprises 14 integrated measures (administered across 6 DoHA divisions) to address chronic disease risk factors, encourage better management of chronic disease in accredited primary health care services, improve follow up care, and increase the capacity of the primary health care workforce to deliver effective health care to Aboriginal and Torres Strait Islander peoples.

Importantly, this is the first major investment package to directly target prevention and management of chronic disease within Indigenous populations (which accounts for around two thirds of the life expectancy gap) and specifically address the key barriers (information and knowledge, coordinated care, cost, transport, cultural appropriateness, and workforce) that both Indigenous Australians and their health care professionals face. It includes direct financial incentives to engage mainstream health providers (GPs) in improving Indigenous health outcomes as well as incentives to further encourage AMSs to secure mainstream accreditation of their primary health care services.

Closing the Gap in the NT

Originally established as part of the NT Emergency Response (NTER), a package of measures is directed towards:

- providing health checks and a broad range of follow up care (primary health care, allied health, dental, and specialist including ENT) to Indigenous children in prescribed areas on the NTER;
- mobile outreach and workforce training to respond to child abuse-related trauma;
- alcohol and other drug treatment and rehabilitation;

- expanding the reforming the primary health care landscape in NT to deliver more effective, sustainable primary health care; and
- funding a Remote Area Health Corps to supplement the health workforce in NT and deploy urban-based health professionals in remote health services.

Note, the dental, ENT, and mobile outreach services now form part of the *Close the Gap in the NT NPA*, as funding to the NT Government. These services are traditionally core state responsibilities.

Of particular interest in this package are the remote health service delivery reforms being progressed in partnership with the NT Government and the community controlled health sector. These reforms are directed to securing a more sustainable and robust primary health system in the NT, and include a regionalisation process for health service delivery to consolidate (physically and professionally) isolated small remote clinics under regional governance structures, define and fund core set of primary health care services in each region that would otherwise not be achievable in multiple small clinics, and introduce CQI approaches into clinical and service management processes.

This regionalisation process has very strong support from all key stakeholders in NT, and is a major achievement which stands to substantially alter the health service landscape in NT – providing a wider range of quality, sustainable primary health care services to more people. It is a model for other remote health service delivery areas, and could also form a model for other forms of remote service delivery.

Child and maternal health

(See 5.1 Early Childhood Development)

Substance use

In addition to the network of 63 *Indigenous Substance Use* services (40 dedicated services, and 23 combined with primary health care services) across Australia, funded under the *Primary Health Care* program, a number of initiatives (in particular under the auspices of COAG, but outside current NPA arrangements) has been funded over the past few years to address rates of substance use/misuse within Indigenous populations. Programs within DoHA are largely focussed on treatment and rehabilitation, rather than prevention.

(See also 5.3 Youth at Risk for further discussion on substance use programs and *Petrol Sniffing Prevention Strategy*)

There are also a couple of small targeted tobacco cessation initiatives which aim to inform the evidence base on effective interventions to reduce the very high rates of smoking in Indigenous populations. Mainstream social marketing e.g. smoking campaigns, over the past three decades have been a great success for non-Indigenous Australians but a spectacular failure for Indigenous Australians. Some targeted research programs have been specifically designed to find out why mainstream interventions and communication channels have not been successful, and to trial alternate forms and interventions. The smoking element (around \$100 million) of the *Indigenous Chronic Disease package* will focus greater effort and resources in this area.

Social and emotional wellbeing

The mental health needs of Aboriginal and Torres Strait Islander Australians are addressed through a range of Commonwealth programs, the *COAG National Plan on Mental Health 2006-2011* and the fourth *National Mental Health Plan 2009-2014*. A modest (\$20.8 million) element of a \$4.1 billion *COAG National Plan on Mental Health 2006-2011* was directed towards Aboriginal and Torres Strait Islander peoples' mental health needs – largely workforce initiatives to strengthen the Aboriginal and Torres Strait Islander health workforce's capacity to address the mental health needs of Indigenous Australians, plus development of national resources.

The *National Strategic Framework for Aboriginal and Torres Strait Islander Peoples' Mental Health and Social and Emotional Wellbeing* was endorsed by AHMAC in 2004, but never adequately implemented or funded. It did however serve as an important policy reference for both government and community services for Indigenous Australians.

In response to the *Bringing Them Home: Report of the National Enquiry into the Separation of Aboriginal and Torres Strait Islander Children from Their Families*¹¹⁹, a program of *Link Up Services* and *Bringing Them Home Counsellors* was funded in 1997 to support Indigenous people removed from their families due to past policies and practices to be re-united with their family and clans. With the National Apology to the Stolen Generations in early 2008, this program has recently been expanded to address the backlog of affected people seeking advice and support and counselling.

(See also 5.3 Youth at Risk for related discussion)

Mainstream access and financing

With Indigenous underutilisation of both *Medicare* and the *Pharmaceutical Benefits Scheme* (PBS) - Australia's core personal health financing mechanisms - two key mainstream financing initiatives aim to address this disparity and improve access to quality health care and medicines. Both of these instruments are legislatively based:

- *Section 19(2)* of the *Health Insurance Act 1973* prescribes various circumstances in which medical benefits are not payable without the Minister for Health and Ageing's approval. AMSs that employ a doctor may be granted an exemption under section 19(2), which enables the payment of *Medicare* rebates to the AMSs for bulk-billed *Medicare* services provided by these salaried doctors. Qld and NT Governments also have a 19(2) exemption in agreed rural and remote clinics. *Medicare* income generated under these arrangements are then expected to be re-invested in additional primary health care services for Indigenous Australians – effectively, uncapped extra revenue for AMSs with doctors on staff;
- *Section 100* of the *National Health Act 1953* improves access to PBS-subsidised medicines for clients of remote AMSs by enabling their clients to receive medicines and pharmaceuticals directly from the AMS at the point of consultation, without charge, and without having to travel to the nearest community pharmacy. This initiative is supported by the *S100 Pharmacy Support*

¹¹⁹ Human Rights and Equal Opportunity Commission, *Bringing Them Home: Report of the National Enquiry into the Separation of Aboriginal and Torres Strait Islander Children from Their Families*, Canberra, 1997.

Allowance which provides a small allowance to pharmacists who work with AMSs in the *S100* program.

In addition, two pharmacy initiatives¹²⁰ also support Indigenous Australians access to low/no cost testing and medicines:

- *Quality Assurance for Aboriginal and Torres Strait Islander Medical Services* (QAAMS) improves management of diabetes for clients of AMSs by providing immediate point-of-care pathology testing, and training plus technical support to AMS staff; and
- *Quality Use of Medicines Maximised for Aboriginal and Torres Strait Islander peoples* (QUMax) is a trial program to improve medication compliance through low/no cost pharmaceuticals and quality use of medicines for clients of non-*S100* AMSs. QUMax addresses the gap in access (cost, quality, compliance) to pharmaceuticals for Indigenous Australians in regional/urban areas. Note, the *Indigenous Chronic Disease Package* will introduce PBS co-payment relief for all eligible clients.

The development and release of Indigenous specific *Medicare* items – health checks and follow up services – are targeted to improve Indigenous Australians use and access to *Medicare* as well as provide clinically proven regular health check tools and protocols to prevent illness and disease and provide routine opportunities for early detection and intervention of any conditions.

Medicare Australia, within the Department of Human Services, also manages a network of Medicare Liaison Officers whose role is to work closely with Aboriginal and Torres Strait Islander medical services and other health providers to promote and support the use of Medicare Australia programs. Medicare Australia will also develop and manage the new *Indigenous Health Practice Incentive Payment* system from May 2005, which forms part of the *Indigenous Chronic Disease Package*.

The *Indigenous Chronic Disease Package* is also expected to accelerate access to mainstream health financing instruments for Indigenous Australians, with incentives and levers for health providers to provide health checks, chronic disease management plans, and follow up care.

Workforce

The *Aboriginal and Torres Strait Islander Health Workforce National Strategic Framework* was endorsed by the AHMAC in May 2002. Its aim is to transform and consolidate the health workforce to achieve a competent workforce with appropriate clinical, management, community development and cultural skills to address the health needs of Aboriginal and Torres Strait Islander peoples, supported by appropriate training, supply, recruitment and retention strategies. This *Workforce Strategy* and the *National Indigenous Health Workforce*

¹²⁰ Note: both these (and the pharmacy workforce initiatives) are funded under the 4th *Community Pharmacy Agreement*, which expires in June 2010. The 5th *Community Pharmacy Agreement* is currently under negotiation

Training Plan outline specific policy strategies and guide the various programs in delivering on these objectives. Specific initiatives include:

- training posts for GP registrars to work in Aboriginal and Torres Strait Islander health services;
- GP education and training in Aboriginal and Torres Strait Islander health matters;
- scholarships and traineeships for Aboriginal and Torres Strait Islander people to study and qualify in a range of health professions;
- establishment of a national Aboriginal and Torres Strait Islander Health Worker representative body, and national registration and accreditation scheme for these health workers; and
- mentoring and professional support and training organisations for Indigenous Australians who are in training, and/or currently work, as health professionals.

The health sector generates a significant proportion of Australia's economic activity and employs over 7.3 per cent of our working population¹²¹. Currently, Indigenous Australians are not equally represented in the health workforce – while Indigenous health workers (numbering some 3000) are a key workforce element, increases of Indigenous nurses by three-fold, as well as Indigenous GPs and dentists by more than ten-fold¹²², is required to achieve the comparable workforce goal.

Data and research

Within the health portfolio, the Australian Institute of Health and Welfare (AIHW) fund - from internal allocations - preparation of key reports on Indigenous Australians' health outcomes, and analysis of their access to health services and expenditures for Indigenous health.

The National Health and Medical Research Council funds a modest range of research projects into key health and wellbeing issues for Aboriginal and Torres Strait Islander people, as well as Training Fellowships and Scholarships for Aboriginal and Torres Strait Islander Health Research as part of its research program.

Specific and targeted initiatives

A number of initiatives also target specific health and aged care programs for Indigenous Australians:

- Australian Hearing, as part of its Community Services Obligation program, provides tertiary hearing services for eligible Aboriginal and Torres Strait Islander people. This program has been operating in various forms for over three decades, and complements hearing screening programs in primary health care services;
- *Mobile Dental Services Pilot* – a 09-10 Budget measure to identify and pilot models of mobile dental services for Indigenous Australians in regional and rural areas to address barriers to dental health services for Indigenous Australians; and

¹²¹ Australian Institute of Health and Welfare, *Australia's Health 2008*, Canberra, 2008.

¹²² Advice from DoHA.

- *National Aboriginal and Torres Strait Islander Flexible Aged Care Program* seeks to provide culturally appropriate, quality aged care services for older Indigenous people wishing to remain in their communities/homes.

Sport and recreation

Two sport and recreation programs are considered here:

- The *Indigenous Sport and Recreation Program (ISRP)*, which includes three elements:
 - an annual funding round open to sporting and community organisations for sport and recreation programs for Indigenous Australians;
 - \$4.8m for a MOU with the Australian Sports Commission (ASC) who use \$2.4m as the major contribution to their own *Indigenous Sports Program (ISP)*, and \$1.8m funding for Indigenous Sports Development Officers in 28 regions, and \$600,000 for the *Elite Indigenous Travel and Accommodation Assistance Program (EITAAP)*.
 - \$400,000 (formerly used for Shared Responsibility Agreements) kept aside as a flexible funding pool.
- through its ISP, the ASC supplement funds from the above program to then fund an MOU with States and Territories for the aforementioned Indigenous Sports Development Officers, plus funding for enhancing coaching, officiating and club management skills of Indigenous Australians, and manages the EITAAP through grants for talented Indigenous sportspeople to participate in national and international events. It also includes mutual funding with the Laureus Sport for Good Foundation for encouraging Indigenous young people in remote areas to be more active.

Whilst these programs officially target all age groups, in practice most participants and beneficiaries are young Indigenous people.

Assessment of current program arrangements

Mainstream health reforms will be the key to closing the gap in Indigenous health outcomes

The proposed reforms canvassed in the aforementioned health reviews provide the Commonwealth Government, in partnership with the States and Territories, the opportunity to comprehensively review the approach to delivery of health care to the Australian community.

It is not the place of this Review to assess alternative models or anticipate the outcome of that process. However, in our work we have presumed that dedicated Indigenous health services will continue to play an important role in any restructured arrangements.

As well, in the interim, the new *Indigenous Chronic Disease Package*, which is the Commonwealth's contribution to the *COAG Indigenous Health NPA*, is a substantial package of new funding combined with integrated support and incentives for preventing illness and disease, improving chronic disease management and follow up care, and increasing the capacity of the health workforce to respond to Indigenous health needs. Ensuring mainstream health services are welcoming, competent and able to meet the health needs of Indigenous Australians is a key focus of this activity. This package is currently being implemented, with six DoHA divisions involved in its development and implementation. This

internal administrative arrangement, of itself, is a long overdue development – engaging mainstream health administrators in Indigenous health - with the Department now organising itself to ensure that ‘Indigenous health is everyone’s business’.

Never the less, given the complex health needs of Indigenous Australians, and their common use of mainstream services, reform of the mainstream will ultimately be the key to closing the gap in health outcomes for Indigenous Australians.

Implications of health reforms for Indigenous specific services

Implementation of any new primary health care models will need care to ensure Indigenous clients’ health needs are fully catered for, in both mainstream as well as Indigenous specific services. In this case, it would be highly desirable to align and incorporate Indigenous primary health care services within this reformed health care delivery and financing framework so that these services (and their clients) are even more firmly integrated within the overall health system – as noted elsewhere in this report, there is much that general practice can learn from AMSs about designing and delivering comprehensive primary health care for Indigenous Australians.

In particular, the reform process provides an opportunity to clarify the inter-relationship between the current grant funding for Indigenous primary health care and parallel access to income through *Medicare* billing under *S19(2)* arrangements and other new *Medicare* items such as the *Practice Incentive Payments* (PIP).

- In circumstances when the *Indigenous Primary Health Care Program* was substantially smaller than today – this facility improved access to *Medicare* for Indigenous Australians and also served as a parallel source of additional revenue to the sector. Since that time, grant funding for Indigenous primary health has increased dramatically, and *Medicare* billing by AMSs is slowly growing.
- Whilst general practice traditionally sourced its revenue from *Medicare* billing, significant grants are now also provided to Divisions of General Practice to lever more responsive health care for *inter alia* Indigenous Australians (noting that funding to Divisions of General Practice does not always constitute additional funding for private GPs).
- The introduction of new PIP incentives in the *Medicare* schedule including under the *Indigenous Chronic Disease Package* will drive increased Indigenous use of *Medicare* and additional revenues for both AMSs, State and Territory health services (with *S19(2)* exemptions), and general practice more broadly. The *Indigenous Chronic Disease Package* will also deliver additional grant revenues to both AMSs and general practice, and some State and Territory health services. So whilst historically the primary revenue sources for AMSs (grants) and general practice (*Medicare*) were distinct, they are converging over time.

The interplay between funding by way of grants and *Medicare* incomes now deserves attention so that Government can be confident its investments are transparently delivering additionality in a consistent and equitable manner as between individual AMS’s, State and Territory funded facilities and GP services, as *Medicare* billing rates vary between providers and over time.

It is expected that there will be a continuing role for supplementary grant funding to recognise the additional costs of health care in rural/remote areas and to provide funding for key Indigenous health priorities. Appropriate grandfathering arrangements would also be needed to transition AMSs to any new funding arrangements. Consultations with the Indigenous health sector would be desirable in identifying the range of issues that would need further examination and resolution in this context.

RECOMMENDATION

26. In the context of the Commonwealth's recent Health Reforms and those currently under consideration:

26.1. Review the relationship between current grant funding (to Indigenous health services, Divisions of General Practice and State and Territory health services), and access to *S19(2)* and other *Medicare* billing arrangements, to ensure consistency and equity in funding levels as *Medicare* billing rates vary between providers and over time.

Aligning program arrangements with COAG responsibilities

Notwithstanding the proposed consolidation and other program reforms for the *OATSIH Substance Use Program* (discussed below), this arrangement should be considered an interim arrangement, as there remain inconsistencies between the respective Commonwealth and State and Territory government roles in substance use for Indigenous Australians according to recent intergovernmental agreements.

Under the NHCA, States and Territories are responsible for funding (and providing in some circumstances) community health services – including substance use services. The *NPA for Closing the Gap in Indigenous Health Outcomes* also echoes this arrangement. Under the priority area '*Healthy Transitions to Adulthood*', States and Territories are solely responsible for '*expanding and integrating mental health and substance use services*' and '*improving the network of family-based alcohol/drug treatment, rehabilitation and support services*'.

Therefore, the involvement of the Commonwealth in directly funding and administering mainstream as well as Indigenous substance use programs is inconsistent with the current COAG commitments and agreements.

The Commonwealth's mainstream funding increased substantially in the late 1990s with the advent of the *National Drug Strategic Framework* and its *Tough on Drugs* and *National Illicit Drugs Strategy* funding streams. In the Indigenous sector, OATSIH inherited a modest *Indigenous substance use program* from transfers of primary health care and then substance use programs from ATSIC. In recent years, COAG has invested some new funding to address Indigenous substance use, especially in remote regions and communities where harmful substance use was impacting heavily on community safety and child health and safety.

These Commonwealth Indigenous (and mainstream) initiatives have largely been gap fillers to address the non-performance of mainstream substance use services and there could be significant benefits from an overhaul and more integrated delivery of mainstream and Indigenous services.

However, there are arguments for the Commonwealth to consider retaining its responsibilities (both funding and administration) in these areas:

- Indigenous substance use attracts much public attention and is a priority for the Australian Government, with the success of some whole of government place-based interventions – such as NTER and Cape York – critically dependant on reducing harmful substance use;
- stability in service delivery arrangements is also a consideration;
- it may be advisable to wait until there can be confidence in the capacity of mainstream services to deliver in these areas; and
- while many Indigenous substance use services are discrete and stand-alone, others utilise small teams within primary health care services, and there may be little benefit from a shift to another government funding arrangement.

It is expected that these considerations will be resolved as part of the Commonwealth's and COAG's responses to the proposals for Health Reforms. Whatever the delivery arrangements, the Commonwealth will need to maintain a leadership role in national drugs' policy and it is understood that a review of the *National Drugs Strategy* will commence shortly.

Separately, the Review acknowledges the priority afforded within the Australian Government to the whole-of-government response to outbreaks of petrol sniffing in Indigenous communities. As well, the Commonwealth has played a key role in facilitating resolution of cross-jurisdictional issues and developing a consistent approach with industry and communities on the rollout of Opal fuel, as well as resolution of Opal distribution and storage issues. It is recommended that responsibilities for petrol sniffing related programs remain with the Commonwealth.

RECOMMENDATION

26. In the context of the Commonwealth's recent Health Reforms and those currently under consideration:

26.2. Consider a transfer of responsibility to the States and Territories for Indigenous substance use programs (excluding tobacco and petrol sniffing initiatives) along with mainstream substance use programs which, in principle, should transfer under the terms of current COAG agreements.

Disparate health programs need greater consolidation and alignment

Currently there many programs targeting Indigenous Australians within the Health portfolio. These could be categorised as:

- **Core primary health care:** grant funding for Indigenous primary health care, including other (enabling) funding for capital, ICT, and support for accreditation;
- **Mainstream financing instruments:** *S19(2)* and *S100* initiatives to improve access to *Medicare* funding and PBS medicines;
- **Targeted initiatives:** child/maternal health, chronic disease, social and emotional wellbeing (core and supplementary), hearing, substance use services (core and supplementary) and responses to petrol sniffing, dental;
- **Enablers:** workforce, data/research; and
- **Place-based:** NTER initiatives.

At present, administration of these programs would benefit from consolidation and improved alignment with the COAG targets, National Partnership Agreements, and the Building Blocks.

For example, the various Indigenous substance use and mental health programs are managed across two separate divisions within DoHA (OATSIH and Chronic Disease/Mental Health Division). It is unclear to the Review how these distinct initiatives relate to and/or complement each other; both their management and their intent are dated and fragmented.

Consolidation also provides greater flexibility in use of funds within the broader funding categories.

Following consultation with DoHA, it is recommended that programs be consolidated, broadly as follows:

- *OATSIH Primary Health Care;*
- *OATSIH Chronic Disease;*
- *OATSIH Close the Gap in the NT;*
- *OATSIH Child and Maternal* (see Early Childhood section for further information);
- *OATSIH Substance Use;* and
- *OATSIH Social and Emotional Wellbeing/Mental Health.*

Whilst the various Indigenous workforce initiatives appear as disparate and separate elements, they form part of a broader health workforce strategy including the *COAG Health Workforce NPA*. Consolidation of the discrete Indigenous workforce components is not favoured as it would likely only serve to marginalise these initiatives from their mainstream parallels – an undesirable outcome.

RECOMMENDATION

- 27.** The various Indigenous primary health care programs should be consolidated into the following categories:
- 27.2.** *OATSIH Primary Health Care;*
 - 26.2.** *OATSIH Chronic Disease;*
 - 26.3.** *OATSIH Close the Gap in the NT;*
 - 26.4.** *OATSIH Child and Maternal;*
 - 26.5.** *OATSIH Substance Use; and*
 - 26.6.** *OATSIH Social and Emotional Wellbeing/Mental Health.*

A different approach to health promotion as part of the Indigenous Chronic Disease Package

Over the past few years a range of mainstream health promotion campaigns have been conducted targeting Indigenous Australians among others focussing on prevention of disease by improving nutrition, levels of physical activity, sexual health, among other issues. Some of these health promotions have sought to target both non-Indigenous and Indigenous Australians using the same communication channels, others have at times enlisted support from well known Indigenous Australians whilst still using mainstream marketing channels such as media (TV, radio, print) advertisements, posters, and production of various information brochures and pamphlets. For some sub-populations (such as urban Indigenous youth), carefully selected media may be an engagement vehicle that resonates with its audience; however, for most Indigenous Australians these mainstream health promotion campaigns have been demonstrably ineffective and a waste of the funding concerned – persistently high smoking rates (currently at around 47 per cent) are a stark example of the failure of mainstream campaigns to change Indigenous behaviours and lifestyles.

It is understood that the substantial budget for health promotion (in excess of \$100 million) in the *Indigenous Chronic Disease Package* will take a different approach from these past failures and take a more direct approach utilising personal support teams and community organisers. Coordination with other communications activities across the Australian Government should also be a priority to build coherence and effectiveness of Commonwealth communications with Indigenous communities.

For some years, DoHA has funded the Centre for Excellence in Indigenous Tobacco Control (CEITC) and a small number of other pilot projects to test models and interventions to reduce Indigenous smoking rates in different environments – urban, regional and rural/remote under the *Indigenous Tobacco Control Initiative* (ITCI). CEITC will be a key partner in building the evidence base of effective smoking interventions. ITCI is a terminating program scheduled to cease in 2012. In light of the substantial new investments in Indigenous smoking, the Review endorses the scheduled termination of ITCI in June 2012.

RECOMMENDATION

28. Within the *Indigenous Chronic Disease* package:
- 28.2. Review the approach to health promotion communications and social marketing strategies to ensure that they are effectively targeted and implemented to achieve the desired impact for Indigenous Australians, drawing on the expertise and activities of other Commonwealth agencies and coordination forums; and
 - 28.3. In light of substantial new investment in reducing Indigenous smoking rates, the Review endorses the scheduled termination of *Indigenous Tobacco Control Initiative* in mid 2012.

Management of substance use rehabilitation services

Irrespective of the proposed alignment (above) of *Indigenous Substance Use* programs with prevailing COAG agreements, a number of other program management issues still warrant attention.

The transfer of the *Indigenous primary health program* in mid 1990s and dissolution of ATSIC saw DoHA inherit a network of Indigenous substance use services (both stand alone and substance use programs embedded within primary health care services) and operating from a wide range of service models. Commonly poor governance, lack of organisational capacity, and low quality management see Indigenous substance use organisations over-represented in the cluster of 'high' or 'extreme' service risks.

Notwithstanding the priority afforded by governments in recent years to reduce harmful substance use in Indigenous communities, there has been little attention given to evaluating the effectiveness of these programs and the different modes of rehabilitation services.

At present, substance use services receive their core funding from the *OATSIH Substance Use program*. Some of these services also receive funding under the mainstream substance use programs – from the *Tough on Drugs* and *National Illicit Drugs Strategy* funding pools. The extent that States and Territories fund these services or interventions is unknown. Some residential rehabilitation services also receive regular accommodation subsidies from AHL's relevant program – a subsidy based on 'an occupied bed per day' rate.

These are messy arrangements that would benefit from a more transparent funding model, at least in the Commonwealth funding space. There is, for example, currently no separation between the costs of treatment and rehabilitation interventions from the costs of accommodation (and other operating expenses). There is a need to clarify the role of the different cost drivers in this form of substance use intervention. There would also be benefits in verifying that clients' period of 'residence' in these services match the length of their 'treatment' program.

It is recommended that the Commonwealth funding be consolidated, with the relevant AHL funding transferred to DoHA. This would then provide an opportunity to establish a funding

model for residential rehabilitation services that provides transparency to the cost structures of this form of intervention.

The Review was not able to identify any recent evaluation of the quality and effectiveness of the *Indigenous Substance Use Programs*, nor any comparative evaluation of the quality and effectiveness of different interventions. This work needs to be accorded higher priority.

RECOMMENDATION

- 29.** Funding to Aboriginal Hostels Limited for residential rehabilitation (substance use) services should transfer to DoHA and be consolidated with the *OATSIH Substance Use program*. An appropriate funding model should be developed for residential rehabilitation services that distinguishes accommodation costs from funding for targeted delivery of treatment and rehabilitation interventions. The quality and effectiveness of different substance use treatment models should be evaluated to inform future funding arrangements for Indigenous Australians.

Social and emotional wellbeing

Despite very high rates of mental illness, social distress and general lack of wellbeing within Indigenous communities, including co-morbidities with substance use, family dysfunction and community violence, Indigenous social and emotional wellbeing has not been a priority for government funding.

A review of the *National Strategic Framework for Aboriginal and Torres Strait Islander Peoples' Mental Health and Social and Emotional Wellbeing* is presently underway, and scheduled for completion in early 2010. It is also noted that the National Indigenous Health Equality Council is planning to host an Indigenous Mental Health Forum in the first part of 2010; both these developments should provide clear guidance on future policy directions and/or priorities for attention.

Recent program management initiatives to be encouraged but further harmonisation needed

A number of recent program management initiatives are welcome developments for Indigenous primary health care programs and services. These include:

- moves to triennial funding agreements for Indigenous primary health care services;
- support and incentives for AMSs to become accredited under the mainstream standards e.g. RACGP standards for primary health care;
- a review of OATSIH reporting arrangements, including widespread consultation with AMSs, will result in a reduction in service reporting requirements by one third, and the parallel introduction of outcomes-based reporting by OATSIH funded services including AMSs. This outcome based reporting will also be supported by the national rollout of a web-based reporting tool, which provides for direct data extraction from Patient Information Recall Systems in health services – in combination, this will provide more accurate data on health system

performance whilst further minimising the reporting burden for health services; and

- refinement over recent years of the national resource allocation model utilised by OATSIH for determining primary health grants has led to better alignment of funding with need across all regions in Australia.
 - However, this model focuses on per capita funding of primary health care. While every effort is made to identify regional health data for Indigenous populations, the quality of this data is variable, and is supplemented with qualitative information gathered from available sources. The model is not yet informed by any robust data on regional health outcomes, which may better inform resourcing decisions on relative need by region.
 - While the modelling of need is complex and it will take time for outcomes based reporting to establish a reliable data base, in time that should be used to populate a more robust ‘needs based’ funding model.

Notwithstanding these constructive developments, further harmonisation of the diverse funding arrangements currently operating across the Indigenous health programs is critically needed.

A recent report by the Cooperative Research Council for Aboriginal Health *The Overburden Report*¹²³ noted that Indigenous health services face an enormous compliance burden, with an average of 22 separate grant funding agreements per organisation.

- This report recommended inter alia that long-term contracting for core primary health care should be the basis for the funder–provider relationship; that core funding should allow flexibility for local priority setting in accordance with agreed plans; that data collection and monitoring should be simplified based on sound performance and health outcome indicators; that transaction costs can be reduced and complexity managed through a single prime long-term contract and good contract management; and that a risk assessment approach can enhance the quality of both sides of the program relationship.
- They also noted that a significant share of this administration burden arose from the differing performance reporting frameworks applied by Commonwealth and State/Territory health agencies. While noting that some jurisdictions have moved to adopt some of the OATSIH performance management arrangements i.e. shared risk assessment processes, common reporting tools, this has been incremental and patchy. Therefore, it is important that the DoHA lead work on a more coherent and coordinated performance reporting framework across all governments’ Indigenous health funding agencies.

¹²³ J Dwyer, K O’Donnell, J Lavoie, U Marlina, & P Sullivan, *The Overburden Report: Contracting for Indigenous Health Services*, Cooperative Research Centre for Aboriginal Health, Darwin, 2009.

RECOMMENDATIONS

- 30.** Over time, DoHA should continue to evolve its current resource allocation approach to a model based on balancing per capita funding (input) with relative need and health outcomes achieved, as the new outcome based reporting tool begins to deliver quality health data.
- 31.** DoHA should harmonise its internal program management arrangements to reduce the administrative burden for Indigenous health services. Where appropriate this should take account of the framework developed by CAWG. DoHA should also lead discussions with State and Territory health funders on a coherent performance and reporting framework for all government funded services, consistent with COAG agreements and the work of CAWG.

Restructuring and re-orienting Indigenous sport and recreation programs

Consolidation, coordination and alignment

The *Crawford Report* noted the absence of any strategic policy guiding the development and delivery of sport and recreation programs in Australia, including for Indigenous Australians, as well as confused roles and responsibilities by governments and sports agencies, duplication of effort and large administrative overheads for both governments and community organisations.

Should the development of a national sports policy framework be accepted by the Australian Government, then a number of these issues should be resolved. In this context, this Review recommends that Commonwealth objectives and investments in Indigenous sport and recreation programs should be aligned with the *Closing the Gap* targets as well as other Government objectives. For instance, Indigenous sport can:

- contribute to *closing the gap* in life expectancy by improving Indigenous health and wellbeing through increased levels of physical activity;
- contribute to social inclusion objectives by providing opportunities for social engagement through team and/or community based sport and recreation activities; and
- contribute to *closing the gap* in Indigenous education and employment outcomes (and the developing *National Youth Strategy* objectives) through use of sport and recreation as a 'soft entry point' for (re)engaging young Indigenous people at risk.

(See also 5.3 Youth At Risk for further discussion).

This Review also notes the work being undertaken by the intergovernmental working group who will report in mid 2010 on Indigenous sport programs. This exercise will also provide a useful opportunity to achieve greater clarity of governments' respective roles and responsibilities, re-alignment of and improved value from these investments. Nonetheless, this Review needs to also consider these programs, as part of its terms of reference, and not simply defer the improvements to program arrangements that are self-evident now.

This Review has identified a number of areas where consolidation, streamlining and reduced duplication of effort should realise both greater effectiveness as well as efficiencies in administration:

- ISRP (DoHA) and the ISP (ASC) duplicate each other in a number of the eligible activities funded, and there is presently little coordination in funding arrangements and funding decisions; and
- The ASC's ISP is largely funding under an MOU from DoHA (with some own appropriations and limited funding from the Laureus Sport for Good Foundation). Most of this funding is then contracted to States and Territories for the deployment of Indigenous Sport Development Officers. Transferring this program responsibility directly to DoHA would reduce overheads, time delays in funding, and administration within governments.

Under the ASC's ISP, some funds are also set aside for grants for talented Indigenous sportspeople under the EITAAP. In the view of this Review, the Government's investments in Indigenous sport and recreation programs should give priority to the *Closing the Gap* policy objectives leaving it to mainstream programs supporting talented sports people to recognise (and seek to address) any additional barriers that young Indigenous sports people may face in competing in elite sporting competitions.

Transferring ASC's Indigenous program responsibility under the DoHA's ISRP umbrella would then enable this program (and the consolidated funds) to be delivered more strategically and flexibly, including with a shared emphasis on the objectives expressed above. Linkages with the prevention and health promotion elements of the *Indigenous Chronic Disease Package* such as the Healthy Lifestyle Workers and Indigenous Community Campaigns could then be explored.

These proposed changes are consistent with recommendations in the *Crawford Report* for the ASC to focus on a national leadership role, and divest itself of its service delivery roles.

Sustainable funding arrangements

Currently, program arrangements for the ISRP include annual funding rounds through the e-sub process managed through FaHCSIA. Eligible organisations receive funding commitments for one year only, and must re-apply for funding each year, with no guarantee of success. In practice, around 90 per cent¹²⁴ of organisations receive funding in subsequent years – this staccato funding arrangement inhibits community and service delivery capacity, staff recruitment and retention, and the sustainability of any momentum created locally by dedicated workers. Discussed in more detail in other areas of this report, a long term commitment (where ongoing service need is established) to sustainable funding should be provided under this program.

This issue was also noted in the *Crawford Report*.

¹²⁴ Advice from DoHA.

Supporting local needs in Remote Service Delivery (RSD) Strategy communities

Sport and recreation program funding, in comparison to core primary health care funding, is more amenable for decision making closer to the ground. Consistent with the *RSD Strategy*, the proportion of ISRP funding for remote regions should be targeted to those RSD communities. DoHA should consider how it can support more local and flexible funding decisions by ROCs, informed by community consultations and the relevant Local Implementation Plans for each community.

RECOMMENDATION

- 32.** The *Indigenous Sport Program* (ISP) managed by the Australian Sports Commission should be transferred to DoHA and consolidated with the *Indigenous Sport and Recreation Program* (ISRP). The *ISRP* program objectives should be aligned to directly contribute to the *Closing the Gap* targets and policy objectives. Mainstream elite sports programs should cater for the need of talented Indigenous sportspeople. Management of *ISRP* funding should be aligned with other program management reforms, including supporting the *RSD Strategy*.

Health services participation in Remote Service Delivery Strategy

As part of this Review, some of those consulted (outside of DoHA) expressed some unease about the preparedness of DoHA to fully embrace the local flexibility envisaged in the new business model being implemented in the *RSD Strategy*. The difficulty DoHA faces is the priority it must also accord to effective ‘vertical integration’ of the health system in regional and remote Australia if it is to be confident in delivering quality health care in those regions.

The Australian health care system is an integrated network of services, each having a distinct and critical role to play in the overall health of any individual. In rural and remote areas in particular (but also in many smaller regional centres) it is not viable for the whole health system to have a formal physical presence, due to complex and inter-related issues such as workforce availability, safety and quality, need for clinical supervision and lack of infrastructure.

Therefore, it is vital that the local primary health care service is integrated ‘vertically’ into the back office – that is, to the whole of the health system. In this way, local primary health care services (including those in RSD communities) can be viewed as the local ‘footprint’ or gateway into the whole of the health system, rather than as an isolated, stand-alone service. The need for this vertical integration with the broader health sector was foreseen by the AMS sector themselves during the mid 1990s when they successfully advocated for their transfer from ATSIC to DoHA (as now known).

To achieve this, health funding is regionally focussed, rather than using a place-based approach – this approach applies to the health care of all Australians, irrespective of their location.

In this way, regional networks of health services – primary, secondary and tertiary – are linked into the whole system, and able to establish and maintain more effective referral pathways to all the health resources in the region. This approach builds the capacity of the whole regional system, rather than just ‘plugging the leaks’ and addressing local issues in isolation.

This Review endorses the primacy of this approach to managing the health care system and observes that this does not preclude flexibility for ‘horizontal integration’ of health with other local services:

- the core grant funding that AMSs receive under the *Indigenous Primary Health Care Program* is provided as a flexible pool and the governing bodies of these local health services make their own decisions on the priority health needs for clients in their service catchment, and the mix of health professionals and other staff to support delivery of these priority services. (The Commonwealth does provide supplementary funding for specific priorities such as child/maternal health, chronic disease care, etc, but again does not determine how these services are offered – this is the decision of the local organisational boards and the health professionals employed by them.);
- the governance of local AMSs is overwhelmingly community controlled Boards enabling them to directly consult with communities on priority health needs, feedback on services offered, and other issues of concern for local communities; and
- AMSs have also established strong linkages and networks with other community services, including schools, child care centres, housing organisations, welfare and other social services. In practice, they naturally link into the full array of local services to support their clients’ holistic health, wellbeing and social needs.

Notwithstanding this, there remain opportunities that should be explored further for greater integration of selected health and other services with other local services. For example:

- whilst still auspiced by primary health care, child/maternal health services (including antenatal care) could be better integrated and coordinated with other early childhood services in local regions, using ‘in-reach’ service models;
- in a similar way, health promotion, prevention and population health initiatives such as immunisation, nutrition programs, healthy lifestyle and physical activities, quit smoking programs can be delivered in a wide range of suitable settings, even when auspiced by health services;
- sport and recreation activities could be more directly linked with education and other youth services; and
- substance use services do not necessarily need formal attachments to health services, but do require well developed referral pathways.

In light of these possibilities, DoHA should engage with other Commonwealth agencies, including the RSD Coordinator General, to develop a protocol on how it will engage constructively and make effective contributions to the *RSD Strategy*.

RECOMMENDATION

- 33.** DoHA should consult with other Commonwealth agencies to agree a protocol on its engagement and contribution to the *RSD Strategy*.

Released under FOI Act

CHAPTER 5.5: ECONOMIC PARTICIPATION

It is widely understood that improving Indigenous participation in the broader economy will help to close the disadvantage gap between Indigenous and non-Indigenous Australians. This will require the creation and broadening of opportunities for Indigenous Australians regardless of their background or where they live. Indigenous Australians must be provided the same opportunities to develop the capacity to participate fully in the mainstream economy in order to achieve an equitable level of economic independence afforded non-Indigenous Australians.

The 2009 Overcoming Indigenous Disadvantage, Key Indicators report states:

The extent to which people participate in the economy is closely related to their living standards. Many aspects of work affect people's wellbeing, such as hours worked, job satisfaction and security, levels of remuneration, opportunities for self development and interaction with people outside the home. Having a job or being involved in a business activity not only leads to improved incomes for families and communities (which has a positive influence on health and education of children), it also enhances self-esteem and reduces social alienation.¹²⁵

Increased participation in the economy will require ensuring that Indigenous Australians are better prepared and equipped when leaving school and making the transition to employment, whether directly or through further education or training. It will also require growth in the areas of self employment, small business establishment, business scale up, greater engagement with industry and better use of Indigenous assets.

Governments have committed to play their part in increasing Indigenous employment within the public sector to a level more relative to the Indigenous population. Through the *National Partnership Agreement on Indigenous Economic Participation* they have committed to create sustainable employment in government service delivery, strengthen government procurement policies to maximise Indigenous employment and contribute to closing the gap in Indigenous disadvantage by ensuring all major Council of Australian Governments (COAG) reforms include Indigenous workforce strategies.¹²⁶

The demographic challenge

Based on the 2006 census (adjusted), the estimated Indigenous resident population of Australia was 517,200 or 2.5 per cent of the total population. Of this, the Indigenous

¹²⁵ Productivity Commission, *Overcoming Indigenous Disadvantage Key Indicators 2009*, Commonwealth Government, 2009, p. 8.1.

¹²⁶ Council of Australian Governments, *National Partnership Agreement on Indigenous Economic Participation*, 2008.

working age population (15-64 years) was 306,879 or 59 per cent of the Indigenous population.¹²⁷

The total Indigenous labour force (calculated from unadjusted census data) was 144,080 with 109,386 Indigenous people not in the labour force. The employment to population ratio (employment rate) for the Indigenous working age population (15-64 years) was 48 per cent. This compares to an equivalent rate for non-Indigenous Australians of 72 per cent signifying a gap of 24 percentage points. While not factoring population growth or changes in the non-Indigenous employment rate a 25 per cent increase or at a point in time an additional 30,000 employed Indigenous Australians will be required to half this gap. Given the youthful structure of the Indigenous population, a conservative estimate suggests that over an additional 12,000 will become of working age in any year. The current poor Indigenous education attainment rates and current workforce participation levels make this a daunting task.

To halve the Indigenous employment gap over ten years will require the number of employed Indigenous Australians to increase by around 100,000 over ten years. To achieve this outcome, the focus needs to be broadened beyond job seekers alone to include those who are not currently in the labour force as well as young Indigenous people who are yet to enter the workforce.

The 2008 *Australian Bureau of Statistics National Aboriginal and Torres Strait Islander Social Survey* shows that only 20 per cent of the 327,100 Indigenous people over the age of 15 years had completed year 12 or its vocational equivalent. However, 41 per cent of 15 to 24 year olds were still studying with 26 per cent attending secondary school and 15 per cent attending a non-school institution.¹²⁸

The policy environment

COAG has set the ambitious target of halving the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade. The COAG framework recognises that a long term commitment will be necessary to overcome Indigenous disadvantage and has outlined a number of strategies or building blocks to support these reforms. Economic participation is one of these building blocks, however, improvements in this sphere will not be achieved in isolation to the other building blocks of: *Early Childhood; Schooling; Health; Healthy Homes; Safe Communities; or Governance and Leadership.*

The achievements of overcoming Indigenous disadvantage, improving Indigenous economic participation and of halving the gap in Indigenous employment outcomes is supported by the *National Indigenous Reform Agreement (NIRA)* and a number of national partnerships agreements.

¹²⁷ Australian Bureau of Statistics, *4713.0 - Population Characteristics, Aboriginal and Torres Strait Islander Australians*, ABS, Canberra, 2006.

¹²⁸ Australian Bureau of Statistics, *4714.0 - National Aboriginal and Torres Strait Islander Social Survey*, ABS, Canberra, 2008, viewed 29 January 2010 <<http://www.abs.gov.au>>.

The NIRA includes a *National Integrated Strategy for Closing the Gap in Indigenous Disadvantage*. This strategy highlights the importance of improved opportunities for Indigenous economic development. It states that the barriers to improvement can be addressed by:

- developing supportive regulatory and institutional arrangements;
- building the economic base, particularly in remote Australia;
- developing the capabilities of Indigenous people and communities to get jobs and establish businesses; and
- creating sustainable opportunities through effective partnerships and genuine engagement.

The National Partnership Agreement on Indigenous Economic Participation targets four key areas:

- sustainable employment in areas of government;
- current government procurement policies;
- Indigenous workforce strategies into all new major COAG reforms; and
- Public sector Indigenous employment and career development strategies.

The development of an *Indigenous Economic Development Strategy* (IEDS), announced as a 2007 Government election commitment, has been highlighted as a key to achieving improvements in Indigenous economic participation. Work has been continuing on the development of the IEDS and FaHCSIA and DEEWR, with their respective Ministers and through an Inter-departmental Committee. This work has resulted in a draft *Indigenous Economic Development Framework* that is intended to guide investment in Indigenous economic development across four streams:

- strengthening the regulatory and institutional framework – ensuring policy and regulations facilitate the development of sustainable Indigenous economic opportunities and outcomes;
- building the economic base – creating the base on which economic activity can flourish;
- developing economic capabilities – developing the skills and capabilities which enable people and communities to participate in economic activity; and
- creating opportunities and facilitating engagement – creating opportunities for sustainable participation in the broader economy.

In the 2009-10 Indigenous budget statement, Minister Macklin proposed the release of an IEDS consultation paper.¹²⁹ It is understood that a formal consultation phase is no longer envisaged, however, consultation has commenced including through a recent Indigenous Business Leaders Forum.

Some of the elements of that IEDS have been progressed including the *National Partnership Agreement on Indigenous Economic Participation*, reforms to *Community Development Employment Projects* (CDEP) program and the *Indigenous Employment Program* (IEP) introduced from 1 July 2009. However, the framework is yet to be endorsed by Minister's

¹²⁹ Department of Families, Housing, Community Services and Indigenous Affairs, *Closing the gap between Indigenous and non-indigenous Australians*, statement by the Honourable Jenny Macklin MP, 2009.

and as a result there is yet to be a comprehensive IEDS released for public consultation. The Review observes that officials have had difficulty in effectively drawing together a strategy that balances concept with practical proposals for priority attention and this has not been helped by a lack of clarity in responsibility between key agencies. Priority should be given to finalising the Strategy and, in the process, clarifying roles at the Commonwealth level for delivery of the strategy. The States and Territories have a significant role in this area and any strategy needs to be clear as to how the partnership with the States and Territories will work.

RECOMMENDATION

- 34.** FaHCSIA and DEEWR should give priority to finalising an *Indigenous Economic Development Strategy* (IEDS). In doing so, responsibilities at the Commonwealth level for the delivery of the strategy should be clarified and the specific roles of the Commonwealth and the States and Territories should be articulated.

Current program arrangements

In analysing the 'unit of analysis' established to inform the Review, 26 per cent of total funding within scope for the review can be attributed to the *Economic Participation* functional classification (\$871 million of a total \$3.479 billion in 2009-10). The funding is distributed across 56 programs ranging in size from \$22,000 (DEWHA *Indigenous Communications Program - Internet and Training* program) to \$406 million (FaHCSIA CDEP, including Indigenous Employment Special Account amounts not separately reported by other agencies). The majority of economic participation funding (59.9 per cent) falls into the FAHCSIA portfolio with the second largest pool of funding managed through the DEEWR Portfolio (33.6 per cent).

Not including Indigenous housing that is dealt with in different parts of this report, programs under this functional classification and areas that form the basis for improved Indigenous economic participation fall into five broad clusters:

- Transitions for Youth;
- Employment Preparation;
- Employment;
- Industry Engagement, Business Development and Advisory Services; and
- Indigenous Land.

Table 5.4.1. below, shows distribution and funding for programs against these clusters.

Table 5.4.1.

Program cluster/primary purpose	Number of programs	Funding 2009-10 (\$m)	Total funding, 2009-10 to 2012-13 (\$m)
Transition for Youth	2	\$16.942	\$53.577
Employment Preparation	18	\$280.900	\$1,213.523
Employment	22	\$460.751	\$1,678.687
Industry Engagement and Business Development	11	\$97.022	\$375.243
Indigenous Land	1	\$15.838	\$121.678
Total	54	\$871.453	\$3,442.707

Transition for the young

The majority of Indigenous students not completing school will be at risk of not making a successful transition to further education, training or employment. The OID 2009 report stated that based on 2006 census data, Indigenous people (aged 15 to 24) were three times more likely than non-Indigenous people to be neither employed nor studying.¹³⁰

The 2006 Census reported that 32 per cent of Indigenous people aged 18 to 24 had completed year 12 or its vocational equivalent compared to 71 per cent of non-Indigenous people.¹³¹ Indigenous Year 12 completions rates also reduce depending on remoteness. In 2008 in remote areas, 14 per cent of Indigenous people had completed year 12. This compares with 31 per cent in metropolitan areas.

¹³⁰ Productivity Commission, *Overcoming Indigenous Disadvantage Key Indicators 2009*, Commonwealth Government, 2009, p. 42.

¹³¹ Australian Bureau of Statistics, *Indigenous Statistics for Schools*, ABS, Canberra, 2009, viewed 29 January 2010
 <<http://www.abs.gov.au/websitedbs/cashome.nsf/4a256353001af3ed4b2562bb00121564/c733f2f1d1af9dedca25758b00117609!OpenDocument>>.

In order for young Indigenous Australians to actively participate and contribute to the economy they will first have to make a successful transition into school, through the several key transition points during school and then make the important transition from school to further education, training and work. Young people who make these transitions successfully are more likely to have better employment choice and options in adult life.

There are a number of programs and initiatives to assist young people to make successful transitions through school. These include activities that prepare young Indigenous people for the world of work. The Australian Government's contribution to the *National Partnership Agreement on Youth Attainment and Transitions* is through:

- School Business Community Partnership Brokers that will build partnerships to support improved education and transition outcomes for all young people and
- a national network of Youth Connections providers to ensure young people at risk of not attaining Year 12 or its equivalent or making a successful transition get the support they need to remain engaged, or to reengage in education.

There are also several programs aimed at assisting young Indigenous students to complete year 12 of its vocational equivalent including the *Indigenous Youth Leadership Program (IYLP)*, *Indigenous Youth Mobility Program (IYMP)*, *Sporting Chance Program*, the *Australian Indigenous Education Foundation*, elements of ABSTUDY and the *Indigenous Boarding Facilities* in the Northern Territory.

With the exception of *Youth Connections*, the programs listed above predominantly support young people while they are attending school with the aim of keeping them at school through to successful completion. The Review considers that there is a lack of targeted support for Indigenous young people exiting school systems through completion of studies or for those who are disconnected from the schooling system to engage in education and employment activities. In the absence of mentoring or case management support services these young people are often left up to their own devices. It is important that mainstream Commonwealth school to post-school transition programs ensure an adequate focus on Indigenous students and have a capacity to work with disconnected Indigenous youth and those at risk of disconnection in a post school context. The new mainstream program *Youth Connections* is a critical and promising response to this policy need, but it has yet to prove itself and will need to be closely monitored in the near term to ascertain whether it is delivering on its intended objectives and target groups, including for Indigenous youth.

A separate chapter on 'Youth at Risk' addresses these considerations in more detail.

Employment preparation

In 2009-10, \$280.9 million (\$1.2 billion over 2009-2012) has been identified against employment preparation programs. This sub component of Economic Participation includes Vocational Education and Training (VET) programs, Higher Education initiatives and labour Market Work Readiness programs. The majority of the VET programs relate to funding for non-government training providers and is the residual funding from the Specific Purpose Payments provided to the States and Territories under the *Intergovernmental Agreement of Federal Financial Relations* and the relevant *National Agreement for Skills and Workforce Development*. Under the new federal financial relations framework States and Territories

have responsibility for both government and non-government publically funded training. Funding of \$132.9 million was appropriated under the *Indigenous Education (Targeted Assistance) Act 2000* (IETA) to be managed by DEEWR as a transitional provision until other elements of the intergovernmental financial relations reforms were bedded down after they were introduced in 2009. This additional support for non-government training providers was in recognition that Indigenous students need extra support if the gaps are to be closed. However, while the Commonwealth is providing additional support for non-government VET providers, it creates a perception that the Commonwealth has primary responsibility for funding non-government VET providers that service Indigenous clients. It is proposed that these remaining programs along with the highly specific funding be transferred to the States and Territories.

In transferring funding to the States and Territories it should be noted that the current distribution of funding under the National Agreement for Skills and Workforce Development is based on population share. This could see a reduction in current funding for these programs to some States and Territories, specifically, Queensland, Western Australia and the Northern Territory which have significant Indigenous population shares. As a result, provision would have to be made to ensure the most appropriate distribution.

RECOMMENDATION

- 35.** Responsibility and associated funding for non-government institutions delivering Vocational Education and Training (VET) programs should be transferred to the States and Territories. Program elements to be transferred are the:
- 35.1.** Vocational education program element, *Supplementary Recurrent Assistance Vocational Education and Training* (SRA-VET) non government sub-program;
 - 35.2.** Vocational education program element, *Indigenous Tutorial Assistance Scheme* (ITAS) – VET non-government sub-program; and
 - 35.3.** *Training Initiatives for Indigenous Adults in Regional and Remote Communities*.

Batchelor Institute of Indigenous Tertiary Education (BIITE) receives funding under the *Transitional Program Assistance* (TPA) *National Indigenous English Language & Literacy Strategy* (NIELNS) (\$4.334 million in 2009-10) as a dual sector institution operating across both Vocational Education and Training and Higher Education. BIITE is the only institution outside the preschool sector in receipt of this funding. DEEWR is currently exploring options for the future of this initiative including funding BIITE as a National Institute under the *Higher Education Support Act 2003*.

The *Away-from-Base for 'Mixed-Mode' Delivery* (AFB) program funded under the IETA Act has the potential to play an important role in increasing Indigenous student's choice as well as participation in and access to VET and Tertiary education. 'Mixed-mode' courses are those where the student studies via a combination of distance education and on campus residential schools when participating in compulsory course activities. It provides funding to universities and eligible VET institutions to facilitate delivery of courses to students who are

unable to study full time at an institution. Away-from-base assistance meets travel costs, including fares, meals and accommodation for students, who are required to travel away from their permanent home for a short period of time to participate in the necessary academic components of their course, or for lecturers to travel to communities to deliver the course. A student undertaking a full time course load would be expected to undertake a minimum of 20 residential study days, made up of several blocks, over a year. This flexible mode of study is well-suited for some Indigenous students in that it allows them to meet family, community and/or work obligations while they complete courses in their home communities.

In consultations about the AFB for 'mixed-mode' delivery arrangements DEEWR stressed the importance of recognising:

- the operation of the program across both the higher education and VET sectors;
- the operation of a complementary AFB program under ABSTUDY; and
- that any transfer of 'mixed-mode' AFB funding to other arrangements would need to avoid shifting the costs currently met by institutions under 'mixed-mode' AFB to ABSTUDY at an increased cost to the Commonwealth.

Apart from mobility, there are a number of complex factors that affect Indigenous participation in higher education including: high rates of poverty and its incumbent educational disadvantages; high attrition rates of Indigenous students particularly in senior secondary school years; and the over-representation of Indigenous students undertaking vocational rather than academic studies in Years 11 and 12.¹³²

In addition to AFB, that supports both the VET and higher education sectors, there are six Higher Education initiatives in scope for the review with funding of over \$98 million in 2009-10. These items are: *Indigenous Staff Scholarships*; *Indigenous Support Programme (ISP)*; *Indigenous Access Scholarships*; *ITAS - Tertiary Tuition*; ABSTUDY Tertiary; and the *Indigenous Higher Education Advisory Council*.

In its response to the *Review of Australian Higher Education*¹³³ (the Bradley Review), the Australian Government supported the recommendation that the effectiveness of measures to improve higher education access and outcomes for Indigenous people be [regularly] reviewed in consultation with the *Indigenous Higher Education Advisory Council (IHEAC)*.¹³⁴

The IHEAC supplementary submission to the Bradley Review recognised the importance that specific Indigenous funding be supplementary or additional funding to mainstream university funding streams. It also recommended a thorough investigation of Indigenous student income support be part of the Bradley Reviews examination.¹³⁵ These matters are now to be examined by the Council.

¹³² Indigenous Higher Education Advisory Council, *Submission to the Review of Australian Higher Education*, 2008.

¹³³ Australian Government, *Review of Australian Higher Education, Final Report*, December 2008

¹³⁴ Australian Government, *Transforming Australia's Higher Education System*, 2009 P14

¹³⁵ Indigenous Higher Education Advisory Council, *Supplementary Submission to the Review of Australian Higher Education*, August 2008.

The Review recommends that the proposed review of Indigenous Higher Education to be conducted in consultation with IHEAC examine the efficiency and effectiveness of current programs of support for Indigenous access to higher education, and in particular, the interaction of these programs with the operation of the ABSTUDY Tertiary scheme and other forms of income support for Indigenous students. In addition the adequacy of current Indigenous program performance information and accountability arrangements should be examined.

RECOMMENDATIONS

- 36.** The proposed review of Indigenous higher education access and outcomes, in consultation with the *Indigenous Higher Education Advisory Council*, should examine the efficiency and effectiveness of current programs of support for Indigenous access to higher education, and in particular:
- 34.1.** the effectiveness of the *Indigenous Support Program (ISP)*, the *Indigenous Tutorial Assistance Scheme – Tertiary Tuition (ITAS -TT)*, the *Mixed-Mode Away from Base* program (AFB) and the *Indigenous Access Scholarships* program;
 - 34.2.** the interaction of these programs with the operation of the *ABSTUDY Tertiary Scheme* and other forms of income support for Indigenous students; and
 - 34.3.** the adequacy of current program performance information and accountability arrangements.
- 37.** At the cessation of current funding arrangements in June 2011, explore options for transferring the funding provided to the *Batchelor Institute of Indigenous Tertiary Education (BIITE)* under the *Transitional Program Assistance (TPA)* *National Indigenous English Language & Literacy Strategy (NIELNS)* to the *Higher Education Support Act 2003*.

Labour market programs

Indigenous unemployment as measured in the 2006 Census was 22,540 or 16 per cent (the non-Indigenous rate being five per cent). However, of the working age population (15-64 year old) of 253,466 some 109,386 Indigenous people (43 per cent) were not in the labour force. The equivalent non-Indigenous rate was 25 per cent.

A multi-faceted, comprehensive and intensive approach is needed to address the high unemployment rate and to increase participation in the labour force if the closing the gap target is to be met. IEP and CDEP along with the mainstream *Job Service Australia (JSA)* reforms all have a critical role to play in getting Indigenous job seekers into jobs.

Since 1 July 2009 employment services for Indigenous Australians in non-remote areas of Australia have been integrated within the employment portfolio. The CDEP program no

longer operates in non-remote locations with established economies. Instead, services for Indigenous job seekers are provided by JSA and through the IEP.

In recognition of the particular challenges in achieving work readiness and employment outcomes for Indigenous Australians in remote areas (different definitions apply under CDEP and other employment programs), the CDEP program has been reformed to support the economic and social development of communities through the delivery of two streams of services: work readiness and community development.

The overall focus of the work readiness component is to provide comprehensive and intensive work readiness training and support and on the job work experience. The community development component focuses on supporting and developing Indigenous communities and organisations through a range of projects that: ensure community work is consistent with local job opportunities; build skills through practical experience; meet community and individual needs; and link to community priorities.

In discussion on where CDEP is best placed to improve Indigenous outcomes, FaHCSIA submitted to the review that CDEP is more than an employment program with over 50 per cent being targeted at the community development stream and that this, along with other FaHCSIA programs provides intensive and tailored support to Indigenous participants and communities. FaHCSIA also indicated that the program's aims, intentions and results are broader than those of an employment and training program.

While community development can achieve objectives other than economic participation, it does not preclude employment creation and there can be synergies between these objectives and the Review believes that the two do interact and there is no reason why DEEWR should not be able to advance both in a coherent way. Both departments need to work closely in a joined-up-government approach to service delivery and the Review considers that the location of program responsibility should be guided by where the principal synergies might lie.

As highlighted by the *Coordinator General for Remote Indigenous Services* in his first six monthly report, concern has been raised over the coordination of service provided by Job Services Australia providers in remote Indigenous communities and those of other employment and training providers including IEP and CDEP. The Coordinator General also notes that the portfolio separation of CDEP and mainstream employment services will require close coordination to ensure that these services are aligned with complementary services.¹³⁶

While parallel servicing was a deliberate decision by Government in the design of these services, there is an element of overlap between providers and therefore contracting and monitoring arrangements can be complex as can liaison requirements between providers and clients. For example, both the work readiness and community development elements of CDEP have wage components (differing for continuing and new participants) and participation requirements that must be reported to JSA providers and individuals can be

¹³⁶ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 83.

entitled to both JSA and IEP program assistance. There is also potential for overlap in service provision and this Review has concluded that there is a need for a thorough review of the interaction between these programs. As well, the Review is of the view that clarity of responsibility and incentive for integrated service delivery would be improved if the three programs were administered by the one agency, namely DEEWR. An implementation Review has been planned of the interaction between these three programs in remote Australia to be completed in 2011 and it is recommended that the terms of reference of that Review be extended to address a wider purpose which is also relevant to urban and regional Australia.

Others contributors to the Review have raised a different but related concern, namely that contracted providers operate on a 'fly-in, fly-out' model that is not consistent with the service needs of community members. Under the new employment arrangements, Indigenous people are supported by an *Employment Pathway Plan* that includes provision for access to literacy and numeracy programs, work experience, help with resumes, trade equipment and training and it is reasonable to expect closer 'on the ground' support than that currently being provided in many cases.

Although employment and associated service providers operate under service level agreements, there is currently a lack of appropriately skilled Australian Government presence on the ground to monitor the performance of contracted providers. Until recently (30 June 2009) *Community Employment Brokers* (CEBs) were available in some NT communities to help coordinate employment related services. Whilst the *Government Business Managers* (GBM) operating in the same communities where seen as generalists, the CEBs acted as specialist relating to employment and training program, assisting to remove barriers for Indigenous people seeking access to these services. This on the ground presence also provided a mechanism to monitor the performance of contracted providers, to ensure Indigenous clients were available to access services and to provide on the ground intelligence to providers on any environmental or cultural events that would prevent community members from availing themselves to training to accessing services.

As the role of the GBMs matures, it is possible for these officers or the associated *Indigenous Engagement Officers* to undertake this role. However, an on the ground presence with a detailed knowledge of the intricacies of employment and associated services will be required to ensure that services are coordinated appropriately including to meet the needs and circumstance of local Indigenous individuals and communities.

It is recommended that DEEWR and FaHCSIA review 'on the ground' staffing arrangements to address these service delivery issues.

RECOMMENDATION

- 38.** There should be a review of the interactions and potential overlaps between the restructured *Community Development Employment Projects (CDEP)* program, the *Indigenous Employment Program* and *Job Services Australia* programs by broadening the scope of the review of remote employment servicing scheduled to be completed by July 2011:
- 38.1.** the terms of reference for the review to be agreed between relevant Ministers and be extended to review program interactions in urban and regional as well as remote Australia;
 - 38.2.** to support more effective and integrated delivery of employment-related programs and services, responsibility for CDEP should be transferred from FaHCSIA to DEEWR. This transfer should take effect as soon as possible in order to inform the proposed review and to facilitate any adjustments where change is warranted in the interim.

Mobility assistance

Another important factor in assisting young Indigenous people into the workforce is the ability to access employment and training opportunities and have expanded options through mobility. The *Indigenous Youth Mobility Program* provides greater access to quality education and training options for Indigenous people, particularly, but not exclusively for those from remote areas. The program has funding to engage up to 1,500 Indigenous people in Apprenticeships, vocational education and training and university courses over 2006 to 2012. It assists as many of these young people as possible to achieve a Certificate III or above qualification during their participation in IYMP. The program provides accommodation places as well as mentoring, career advice, assistance with life issues and education and training links for those Indigenous young people who wish to move away from home to gain the qualification they need for sustainable employment in their home community or elsewhere.

Aboriginal Hostels Limited (AHL) plays a major part in delivering the IYMP. AHL hostels provide accommodation for people aged from 16–24 years mainly from rural and remote areas. However young people from major towns and cities can also participate if they can relocate to an IYMP Host Location to take up an apprenticeship, traineeship or a higher education place.

The AHL managers play an important role in being the first point of contact for young Indigenous people presenting on this program and for other reasons where mobility is required including to access health services. In particular AHL (IYMP) manager duties include: working with communities in sourcing program participants; case-managing program participants; and pro-actively building and maintaining positive relationships with key stakeholders, Indigenous communities and education and training networks.

While mobility options are available for Indigenous people to access education, training and health services there is little uptake of services available for Indigenous people wishing to access employment and associated training opportunities through mobility.

The *Job Services Australia – Employment Pathway Fund* (EPF) can be used flexibly for fares assistance, fuel and petrol vouchers, where this represents best value for money, as well as assistance with alternative transport options where job seekers don't have reasonable access to public transport. For example JSA providers may consider using EPF to purchase car repairs, contribute to the purchase of a car, registration and insurance. In remote areas, the EPF can also be used to assist with travel costs and accommodation for training and activities for job seekers undertaking temporary mobility options.

Under the IEP, *Voluntary Mobility Assistance* (VMA) is available to support adult job seekers and their families who wish to relocate from areas with low employment prospects to a job in an area with greater opportunities. VMA can be made available through an IEP provider or, in some instances, an employer. This assistance is flexible and can support the securing of job offers; selection and preparation of job seekers and their family; support to commence in and retain employment; introduction to relevant services in the new location; rental assistance; school uniforms for dependants and in some instances support to visit the home communities.

Given the critical role these various programs can play, the Review considers that it would be timely to comprehensively review the Commonwealth's mobility programs. This should address the full range of purposes of mobility and associated accommodated services including access to education and health services, but an important element would be employment related services.

This includes resettlement support for employees and their families such as pastoral care models and support outside of the work environment and work hours. Similarly, investigation into barriers to the uptake of mobility support, such as the lack of supply of suitable accommodation in communities where employment opportunities have been identified needs to be undertaken.

RECOMMENDATION

- 39.** Given the high rates of mobility among Indigenous people, and the importance of mobility as a means of accessing a broad range of services, a more comprehensive policy framework is needed to guide decisions on Commonwealth support for voluntary mobility and relocation assistance. As part of the development of the IEDS, there should be a review of the adequacy of current mobility assistance programs particularly in opening up education, training and employment options and improving the economic participation of Indigenous Australians.

Employment programs

Over \$620 million has been identified for Indigenous specific programs in scope for the Review directly improving employment outcomes for Indigenous Australians. These include the large items of CDEP (\$406 million in 2009-10), IEP (\$138.8 million in 2009-10) and a suite of ranger programs managed by DEWHA (\$39 million in 2009-10). There are 13 programs currently aimed at increasing Australian Public Service (APS) employment across ten agencies totalling \$12.7 million in 2009-10.

Public sector employment

Element four of the National Partnership Agreement on Indigenous Economic Participation aims to increase Indigenous public sector employment to a level consistent with the Indigenous population share by 2015.

The Australian Public Service Commission has made a sustained effort towards the recruitment and retention of Indigenous Staff in the APS over the last four years. The majority of effort has gone into stopping a general reduction in Indigenous staff numbers resulting from the abolition of ATSIC. The measures contributing to stopping the downward trend and potentially turning it around include centralised recruitment and employment pathway programs such as Cadetships, Graduate recruitment and Entry Level programs. Nevertheless, COAG's target of 2.6 per cent Indigenous employment in the public sector by 2015 will be very demanding for APS agencies. It should be noted that the Commonwealth target has been adjusted to 2.7 per cent to ensure that the national (combined Commonwealth and jurisdictions) target of 2.6 per cent would be achieved, while also matching state targets. Representation of Indigenous employees was 2.1 per cent as at June 2009. At that point in time, and not accounting for growth in the APS, an additional 878 Indigenous employees would be required to meet the target.¹³⁷

While there is demand for additional Indigenous employees by the APS, the Review found that there are issues presenting barriers to the supply of potential Indigenous Employees. These include the limited number of adequately skilled and experienced candidates for general recruitment and the limited number of high quality calibre recruits for graduate positions. Another factor affecting entry level, cadetship and graduate recruitment is the requirement to move to agency central offices in Canberra where most positions become available. The development of a professional stream for Indigenous service and program delivery and careful thought on structured pathways from regional and state offices could assist in alleviating this problem.

A further issue is the loss of valued employees to the non-government sector. While this is a positive pathway for Indigenous employees it comes at a cost to the APS. Development of recognised career pathways, including provision for secondments to Indigenous organisations delivering government programs' may assist in retaining staff who have gained valuable public sector experience.

¹³⁷ Australian Public Service Commission, *State of the Service Report State of the Service Series 2008–09*, APSC, Canberra, p. 22.

Innovative strategies will be required to assist in meeting the targets. To avoid innovation coming at the price of failure, particularly for strategies that have been tried before, agencies should be encouraged to share their learning from both successes and failures. Agency Indigenous employment strategies should include targets that are realistic and achievable for the portfolio responsibility and structure. Once suitable targets are established progress and approaches in meeting those targets should be monitored and publicly reported.

It is understood that Departmental Secretaries are considering a monitoring and public reporting framework for this purpose. It is likely that a clearer focus on desired outcomes at agency level is the best means of gaining quantum improvement on the current position.

It is anticipated that increasing Indigenous representation in non-APS public sector recruitment to meet the 2.6 per cent COAG target will be equally difficult to achieve. While the APS has reliable data (with the exception of people who chose not to identify as Indigenous Australians), communications channels and established employee networks, those facilitating structures have yet to be established in significant parts of the non-APS sector.

The Review notes that implementation of an Indigenous employment strategy in the non-APS Australian Government sector is listed for consideration in this year's Budget.

DEWHA Working on Country Indigenous Rangers Programs

Five separate streams of Indigenous rangers programs currently operate within DEWHA. Both DEWHA and this review favour consolidation of these activities into a single program. Their current separation reflects the different times and circumstances of their origins. For those streams that in 2009-10 are funded through FaHCSIA's *Indigenous Employment Special Account (IESA)*, the Single Indigenous Budget Submission proposal 'Commonwealth service delivery jobs and traineeships created under Community Development Employment Projects reform (FaHCSIA, DEEWR, DoHA, DEWHA, ILC)', will result in agencies receiving direct appropriation in accordance with the number of jobs created from 2010-11.¹³⁸ Full consolidation, however, means a single funding mechanism and a single administrative regime within DEWHA for all streams of rangers programs.

Ranger programs not only provide environmental protection but also promote Indigenous economic development, through the employment opportunities they offer. Most Indigenous ranger funding now results from the creation of properly paid positions that formally relied on CDEP. Grouping of rangers programs within the economic development function, rather than in 'other' where other Indigenous environmental programs are discussed, was an on balance call. Within the *COAG Building Block* framework, rangers programs connect very strongly with the *Economic Participation* building block. They operate largely in remote

¹³⁸ The distribution between agencies of the numbers of real jobs to be created in place of CDEP was uncertain at the time of the 2009-10 Budget. Within the limit of agreed total 2009-10 funding for this purpose, the IESA mechanism allowed this distribution to be decided throughout the year in line with the final identification of jobs to be created by each agency. In line with Cabinet's original decision on IESA, funding will be directly appropriated to agencies from 2010-11.

areas where there are few other employment opportunities. They provide 'real jobs' that have effective environmental outcomes, are sustainable and create meaningful and ongoing employment pathways for participants and their communities.

The following table summarises current ranger programs and their funding mechanisms. A consolidated program would be funded through direct appropriations to DEWHA for both departmental and administered expenses. That part of current funding that is provided via the *Natural Heritage Trust* would be discontinued and replaced by direct funding.

DEWHA would have normal agency discretions regarding departmental funds. Administered expenses under a consolidated program would not be quarantined within the current streams (e.g. trainees, NT, non-NT). Allocations within a consolidated program would be for the portfolio to decide. If CDEP jobs currently funded through the Torres Strait Regional Authority are converted into real jobs and these include Indigenous environmental ranger positions, then those positions should also be part of the consolidated program, notwithstanding that funds may be earmarked for spending in the Torres Strait.

Released under FOIA

CABINET IN CONFIDENCE

Working on Country – Indigenous rangers

	A	B	C	D	E	Totals
Program Name	Working on Country (WOC) NT	WOC National (incorporating C4oC element)	WOC Regional	WOC Flexible	WOC Trainees	
	[IESA NT jobs package]		[IESA National jobs package]		[IESA Traineeships]	
Number of rangers, FTE, 2009-10	169	158	100	60	32	519
Number of rangers, FTE, by 2012-13	169	300	100	60	32	661
Program approval	May 07 Indig. Budget measure - Building an Indig. Workforce... (CDEP reform)	Jan & March 2008 -election commitment - expansion of previous Gov. Program	COAG (part of CDEP reform) Nov.08	Cabinet Dec.08 (CDEP reform)	Cabinet Dec.08 (CDEP reform)	
09-10 funding mechanism	FaHCSIA - Indig. Employment Special A/c (IESA)	part via Natural Heritage Trust (\$6.3m of administered), part direct approp. DEWHA	FaHCSIA - Indig. Employment Special A/c (IESA)	direct approp. DEWHA	FaHCSIA - Indig. Employment Special A/c (IESA)	
09-10 administered (\$m)	11.788	12.000 ¹³⁹	9.909	3.777	1.224 ¹⁴⁰	38.698
09-10 departmental (\$m)	0.967	2.473	0.364	0.256	0	4.060
09-10 total (\$m)	12.755	14.473	10.273	4.033	1.224	42.758
10-11 administered (\$m)	11.788	21.000	10.117	3.860	1.618	48.383
10-11 departmental (\$m)	0.967	2.503	0.368	0.258	0	4.096
10-11 total (\$m)	12.755	23.503	10.485	4.118	1.618	52.479

It is not intended that this consolidation include the *Indigenous Protected Areas* program or the *Indigenous Land Management Facilitators* program within *Caring for our Country*.

¹³⁹ DEWHA's 22 February revised estimate is \$18.823m, which brings 2009-10 administered total to \$45.522m and 2009-10 total to \$49.582m

¹⁴⁰ DEWHA's \$1.224m estimate shown here differs from the \$1.750m estimate in DEWHA's survey return. The \$1.750m figure is used for all other relevant tabulations in this Review report.

Insofar as the *Natural Heritage Trust of Australia Act 1997* impinges on consolidation of environmental rangers programs, due regard will need to be given to the provisions of that Act and in particular those provisions relating to the *Natural Heritage Trust Advisory Committee* and the *Natural Heritage Trust Ministerial Board*.

It is noteworthy that DEEWR is sponsoring a pilot in the Kimberly under the IEP exploring the possibility at a regional level of rangers establishing business entities to sell environmental protection services to mining companies, government authorities and other entities. To date this looks very promising and has the potential to grow more real jobs for Indigenous Australians in remote Australia

RECOMMENDATION

- 40.** Consolidate and directly fund DEWHA's environmental rangers programs, including by redirecting that part of the funding that is currently provided via the *Natural Heritage Trust*.

Industry engagement, business development and advisory services (for business entities and communities)

Industry engagement

Industry and business engagement is pivotal to closing the gap in employment outcomes between Indigenous and other Australians.

In the 2009-10 budget \$3.0 million was provided over four years to implement a Business Action Agenda to actively engage the private sector, including Indigenous business leaders, to progress Indigenous economic development. Under the Agenda a national advisory group was to be established to provide strategic advice to government on improving Indigenous economic participation.

Due to delays in the finalisation of the IEDS, this group is yet to be established however useful progress is being made at the practical level. DEEWR works with large, medium and small businesses directly and through industry and sectoral mechanisms and peak bodies. DEEWR develops targeted industry strategies in sectors and regions to leverage existing and growing demand for labour to deliver employment outcomes for Indigenous Australians. In May 2009 a renewed Memorandum of Understanding between the Australian Government and the Minerals Council of Australia was signed to continue a partnership to grow Indigenous employment and enterprise development opportunities. FaHCSIA has been the lead agency for the Australian Government's involvement in the MOU and is co-chair of the Steering Committee. DEEWR has had the lead role in implementation, working at both the national and local levels to harness Government programs to support MOU initiatives.

DEEWR's key programs for engaging industry on Indigenous employment initiatives include the JSA system and the IEP. The national JSA system works with a range of large and small employers to place Indigenous job seekers in jobs.

The IEP supports a broad range of initiatives tailored to the needs of industry sectors and individual employers. Examples include projects that will:

- support individual employers to develop and implement Indigenous employment strategies, including strategy development, cultural awareness, work preparation, and mentoring; and
- assist industry bodies and groups of employers to develop sectoral or regional Indigenous workforce and economic development strategies.

DEEWR directly supports a number of major industry and business engagement initiatives, including:

- the private sector led Australian Employment Covenant focused on growing demand from employers and placing Indigenous Australians into sustainable employment;
- Dare To Lead for Business which provides expertise and practical support to Australian business leaders to improve education and employment outcomes for Indigenous Australians within their organisations;
- The Australian Indigenous Minority Supplier Council facilitates direct business engagement by facilitating opportunities for business contracting for supply of goods and services to government;
- forums and strategies to share best practice and recognise corporate achievement in Indigenous employment. A new approach to this activity is being developed for the reformed IEP (under the previous stage of IEP DEEWR supported the Corporate Leaders for Indigenous Employment Project and the Jobs Careers Futures awards) and it will commence with a Business Leaders Forum in February 2010, developed in partnership with the Business Council of Australia.

DEEWR is also currently looking at streamlining its engagement with a number of major corporates, through implementation of National Relationship Managers, who act as a DEEWR portal and facilitator for key corporates. Relationship Managers have specific responsibility for:

- being a single point of DEEWR entry for corporates;
- establishing, fostering and managing the ongoing relationship;
- working across the department to direct activity to better coordinate and respond to corporate needs including packaging services across programs and locations;
- issues resolution; and
- identifying emerging opportunities for corporate engagement.

Small business development

The development of Indigenous small business can play an important part in increasing Indigenous economic participation. Currently however, Indigenous small business makes up

only a small 0.17 per cent of the small business sector in Australia.¹⁴¹ In 2006, only 5.6 per cent of employed Indigenous people indicated they worked in their own business compared to 16.7 per cent of employed non Indigenous people.¹⁴²

While being cognisant of small business failure rates any increase in Indigenous self employment and small business should result in increased employment and economic activity for Indigenous Australians.¹⁴³

In April 2006, the then Department of Employment and Workplace Relations released a resources guide listing available resources and services that could assist Indigenous Australians in developing enterprises. The guide was the result of a national scoping exercise to identify organisations and programs that could be accessed at different stages of enterprise development including concept, feasibility, governance and readiness, training, after support and finance. Over 30 sources of assistance were identified with many assisting in a number of the stages of business development.¹⁴⁴

Given the overlap and similarity of assistance required for enterprise development and for that of governance and management of community organisations, including leadership, governance, capacity building, business planning and employment policies an extended and updated version of this guide would provide a useful resource for development and management through the life cycle of enterprises and organisations alike.

In the current version of the guide, four Australian Government agencies were identified including the DEEWR, IBA, DIISR and the OIPC. OIPC was identified due to the Indigenous Coordination Centres role of coordinating the delivery of Indigenous-specific and mainstream programs at the regional level. DIISR operates mainstream small business advisory services through its *Enterprise Connect* network which includes a Remote Enterprise Centre. The guide also documents services provided by State and Territory government agencies.

From July 2009, Indigenous specific business development and support programs administered by DEEWR were rationalised and consolidated into the new IEP arrangements. The new program supports a broad range of activities that are responsive to the needs of employers, Indigenous Australians and their communities including assisting Indigenous Australians to develop sustainable businesses and economic opportunities.

¹⁴¹ Mr Neil Willmetts, Chair, Indigenous Business Council of Australia (IBCA), www.sewf09.com/files/pdf/W101_Neil%20Willmetts.ppt, viewed 25 Jan 2010.

¹⁴² Australian Bureau of Statistics, *4713.0 Population Characteristics, Aboriginal and Torres Strait Islander Australians*, ABS, Canberra 2006.

¹⁴³ Australia, Parliament, House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, *Open for business: developing Indigenous enterprises in Australia*, Canberra, 2008, p. 3.

¹⁴⁴ Department of Employment and Workplace Relations, *The Resources Guide: A Guide to Available Resources and Services to Assist Indigenous Enterprise Development*, Canberra, 2006.

The Interface between DEEWR and IBA services

IBA administers several programs relating to business development and financing. The *Indigenous Business Development Program* provides support for business loans, business planning, business related training, marketing planning, and mentoring.

DEEWR and IBA currently provide Indigenous business support services which can lead to an actual or perceived duplication of activity and inefficiency in the way the programs support and interact with their client base. Both agencies are trying to be 'all things' to Indigenous people wanting to become self-employed through business.

Over the past several years, there has been varying attempts to rectify this situation and the reform to the IEP and this Review provide an opportunity to better align activities to support Indigenous people into business.

The Review proposes that DEEWR, through the IEP, provide support for Individuals be better prepared for self employment or establishing a business. This would include education, training pre employment activities provided under the IEP and support in accessing relevant State and Territory programs including the Vocational Education and Training system. DEEWR also administers the *New Enterprise Incentive Scheme* (NEIS) that is a mainstream program that provides accredited small business training, business advice and mentoring, as well as ongoing income support for up to 52 weeks.

Once potential Indigenous business people are prepared to enter business or self employment including having a solid understanding of what to expect, the IBA would be responsible for assisting with the establishment and maintenance of business. This would include advice on business structure, options for financing (loans, equity etc) and advice on staying in business (e.g. financial, marketing, compliance etc). IBA is also able to offer assistance in the form of business loans and wider economic development initiatives such as sectoral support strategies that will assist the entry or growth of sustainable Indigenous businesses.

With DEEWR focussing on 'business readiness' support, its *Indigenous Capital Assistance Scheme* (ICAS) would then be transferred to IBAs area of responsibility. The ICAS offers Indigenous businesses access to commercial finance, and professional and mentoring support services. At present this is delivered in partnership with Westpac but there is potential to expand such services in partnership with other banks.

The two agencies have worked with the Review in developing this service framework. It is envisaged that it would be underpinned by a memorandum of understanding which would articulate the intention of a close working relationship between the two agencies, client referral arrangements and addressing privacy considerations arising in sharing client information. A communications strategy should also accompany any changes to ensure clients are fully aware of the services available to them and which agency to contact to meet their particular circumstance and need.

In principle, this cooperative endeavour would be aided by placing the functions in the same portfolio but IBA's home loan business is a major part of its operations which properly fit

within FaHCSIA's responsibilities and the Review has concluded that IBA should remain within that portfolio.

RECOMMENDATIONS

- 41.** Endorse the steps being taken by DEEWR and Indigenous Business Australia (IBA) to clarify their respective roles in facilitating business development and support the following restructure:
 - 41.1.** DEEWR to focus on 'business readiness' via the IEP and New Enterprise Incentive Scheme programs;
 - 41.2.** IBA to focus on business support via its individual and small business loans program and developing partnerships with the private sector banks;
 - 41.3.** DEEWR to transfer the Indigenous Capital Assistance Scheme (which is delivered in partnership with Westpac) to IBA, and IBA to explore the possibility of similar partnerships with other banks;
 - 41.4.** given the scale and importance of its home loans business, retain IBA in the FaHCSIA portfolio; and
 - 41.5.** agree a Memorandum of Understanding between DEEWR and IBA to facilitate a close ongoing working relationship between the two agencies.
- 42.** *The Resources Guide: A Guide to available Resources and Services to assist Indigenous Enterprise Development*, which was compiled by DEEWR in 2006, be updated and extended to include governance and management of community organisations and then be maintained on a regular basis. FaHCSIA should take the lead on this project and, in consultation with relevant agencies and in partnership with the States and Territories, review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services.

Indigenous Land Corporation activities

The Indigenous Land Corporation (ILC) was established in 1995 as a statutory authority under the *Aboriginal and Torres Strait Islander Commission Act* as part of the Australian Government's response to the Mabo decision. When ATSIC was abolished the ILC provisions were included in the *Aboriginal and Torres Strait Islander Act 2005*. The ILC's purpose is defined in s191B of that Act as:

- to assist Aboriginal persons and Torres Strait Islanders to acquire land; and
- to assist Aboriginal persons and Torres Strait Islanders to manage Indigenous-held land;

so as to provide economic, environmental, social or cultural benefits for Aboriginal persons and Torres Strait Islanders. The ILC is not subject to Ministerial direction.

The ILC's current priority is 'delivering training opportunities and employment outcomes'¹⁴⁵, not land acquisition. The ILC Chairperson's 2008-09 annual report noted that since its establishment the ILC had purchased 229 properties at a total cost of \$226 million and with an area of almost six million hectares.¹⁴⁶ Recent property purchases have been more in urban and regional centres rather than involving large areas of land. In 2008-09 the ILC bought seven properties (56 hectares) at a total cost of \$9.2 million. In 2007-08 it also bought seven properties (98 hectares), costing \$15.7 million.

The ILC's 2008-09 income was \$75 million of which \$52 million was revenue from Government. That revenue came from a special appropriation of interest earnings (the realised real return on investments) of the Aboriginal and Torres Strait Islander Land Account.

In both its land acquisition and land management activities the ILC frequently works in conjunction with other agencies and organisations, including private organisations. The Review commends this approach. The Review has not had opportunity, however, to examine the operations of the ILC in any depth and so makes no recommendation concerning the employment and training activities of the ILC.

¹⁴⁵ Indigenous Land Corporation, *Annual Report 2008-09*, 2009, viewed 29 January 2010 <www.ilc.gov.au/site/page.cfm?u=152>.

¹⁴⁶ *ibid.* p. 4.

CHAPTER 5.6: HOUSING, HOME OWNERSHIP AND INFRASTRUCTURE

Housing

Background

The provision of social housing to Australians is a constitutional responsibility of the States and Territories. However, since the end of the Second World War, the Commonwealth Government has provided significant levels of funding to assist the States and Territories construct and maintain public and community housing. In addition, through the social welfare system, the Commonwealth government also provides major funding in the form of rent assistance to low income Australian families as well as funding to provide accommodation and related services to the homeless or potentially homeless.

Many Indigenous families and individuals are beneficiaries of the range of Commonwealth funded social housing programs, including rent assistance. In urban and regional areas, Indigenous Australians primarily access mainstream social housing programs.

Historically, State and Territory provision of social housing through mainstream programs has tended to focus on the major cities and country towns. While States and Territories do provide social housing in rural and remote areas of Australia, the level of housing provision falls well short of need. As a result, for a number of years Indigenous specific housing programs have been funded by the Commonwealth. These Indigenous specific housing programs have had a number of name changes as well as changes in the Commonwealth agencies responsible for these programs.

The provision of adequate and secure housing is vital if the well-being and quality of life of Indigenous Australians is to improve. If improvements are to occur in community safety, education, employment and health outcomes for Indigenous Australians, good quality housing, without overcrowding, is essential.

The Coordinator-General stated in his November 2009 report, that in almost every community he visited, housing was a priority for community members¹⁴⁷. He considered that housing lay at the intersection of much of the *Closing the Gap* agenda. Housing provided security, underpinned a healthy lifestyle and provided a base for children's education and development.

While the importance of housing to Indigenous well-being has been recognised for many years, addressing this issue has been far from easy. Much of the housing that has been provided by governments in previous years was poorly designed or built, with little or no repairs and maintenance since they were constructed.

For a number of years, the Indigenous specific housing programs have focused on the provision of community housing for Indigenous Australians living in rural and remote areas.

¹⁴⁷ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 88.

This has involved the Commonwealth funding the construction of housing in Indigenous communities which is then 'gifted' to the communities. This housing has then become the responsibility of the communities, generally through locally run Indigenous community housing organisations, to manage the housing, including rent collection, repairs and maintenance.

However, there has been a lack of capacity across many of these organisations to properly manage the housing stock located in their community. Basic requirements, such as proper tenancy management (e.g. requiring tenants look after their properties), a viable business model, a needs based approach to the allocation of houses to families and to individuals and the collection of sufficient rent to cover administrative costs and repairs and maintenance, has not occurred.

As a result, a significant proportion of Indigenous housing funding is required each year just to maintain or replace existing housing. Also, many families are living in houses ill-suited to their needs. This means that there has never been sufficient funding to comprehensively address the significant shortfall in housing, particularly in remote Indigenous communities. Therefore, with the rapid growth in Indigenous population, the problem of overcrowding in Indigenous housing has continued.

Homelessness amongst Indigenous Australians is still significantly higher than for non-Indigenous Australians. The 2006 census identified that despite Indigenous people being only 2.5 per cent of the Australian population, 9 per cent of the homeless population were Indigenous.

While the problem of overcrowding and poor standard housing is particularly serious in remote areas, many Indigenous Australians living in urban and regional areas also face significant challenges in finding and retaining good quality, secure housing.

Independent Review of Indigenous Housing Programs

With the consolidation of responsibility within the Commonwealth for Indigenous housing with the then Department of Families, Community Services and Indigenous Affairs in 2005, it was recognised by the Commonwealth Government that there were fundamental flaws with the way Indigenous housing was being provided and managed in rural and remote Indigenous communities. Not only was there a large backlog in housing need in most of the Indigenous communities, but a significant proportion of the housing that was available was in poor or very poor condition. Many Indigenous families were living in housing which suffered from high levels of overcrowding. By any objective measure, a number of Indigenous families were effectively homeless as they were living in housing that would be considered uninhabitable if that housing was located outside a remote Indigenous community.

Finally, many remote Indigenous communities lacked access to adequate infrastructure to support their housing. Many of these communities had to manage with inadequate or poorly maintained water and sewerage infrastructure and were reliant on antiquated, unreliable or expensive power supplies.

In 2006, a major review of the key Indigenous housing program, the *Community Housing and Infrastructure Program (CHIP)*, was conducted by PricewaterhouseCoopers. This review, titled *Living in the Sunburnt Country*, was presented to the Commonwealth Government in February 2007 and made a number of recommendations¹⁴⁸ of which the key recommendations were:

- ownership of all new Indigenous housing to be transferred to State and Territory public housing agencies and transfer new infrastructure to state and local government service providers and utilities;
- foster an increase individual home ownership on community title land and in the private sector;
- shifting away from building housing on 'on country' outstations and homelands and focus on building new housing where there is access to education, health, law and order and other basic services;
- construction management to be undertaken through a single integrated program using a competitive tendering basis, to co-ordinate planning and delivery of housing and infrastructure to meet current needs and to gain the benefits of scale;
- State and Territory housing authorities to provide tenancy and asset management services to improve the management of housing stock in remote communities; and
- focus expenditure on repairs and maintenance and upgrades as well as on new housing.

Many of these recommendations were accepted by the Government, with funding for a new approach to the provision of Indigenous housing called the *Australian Remote Indigenous Accommodation (ARIA)* program put in place in the 2007-08 Budget. This program subsumed all the existing Commonwealth funded Indigenous housing programs. This program, which had as its primary focus the provision of housing to remote Indigenous communities, replaced the CHIP program (with the *Aboriginal Rental Housing Program*, which continued as part of the *Commonwealth State Housing Agreement*, as the source of Commonwealth funding for Indigenous housing in urban and regional locations).

Indigenous housing need

Based on work undertaken by Commonwealth, State and Territory officials for the Housing Ministers' Advisory Committee in 2006, it was projected that in 2009 the housing need gap would be around 7,700 houses if overcrowding and demographic factors were to be addressed. This number was split by jurisdiction¹⁴⁹:

	NSW	QLD	SA	WA	NT	AUST
Housing need	272	2309	622	2662	5156	11022
Supply response	247	525	51	782	1627	3319

¹⁴⁸ PricewaterhouseCoopers, *Living in the Sunburnt Country, Indigenous Housing: Findings of the Review of the Community Housing and Infrastructure Programme*, PricewaterhouseCoopers, 2007, p. 16.

¹⁴⁹ Prepared by state and Australian government officials, including the Australian Institute of Health and Welfare (AIHW), for the Housing Ministers' Advisory Committee (HMAC) 2006.

Housing gap	25	1784	571	1880	3529	7703
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This data was based on the assumption that overcrowding would be resolved by reaching a target of no more than 2.3 individuals per bedroom.¹⁵⁰

In its October 2009 report on *Indigenous Housing Need*¹⁵¹, the Australian Institute of Health and Welfare found that the level of Indigenous housing need was highest in the homelessness, overcrowding and affordability need dimensions. They found that:

- there were 9,248 Indigenous people experiencing homelessness; 20,739 Indigenous households were overcrowded; and 8,331 Indigenous income units were in financial housing stress. Overcrowding rates are highest in the Northern Territory and affordability need is more prominent in major city areas;
- the number of additional dwellings required to help those in most need across the three dimensions was estimated to be 9,795;
- the number of dwellings required to meet Indigenous housing need will continue to increase because of demographic growth and changes in household formation. It is estimated that in 2006 the dwelling need gap was 11,538 dwellings, considering extreme need only, or 19,429 if considering all need; and
- it is estimated that in addition to the established dwelling need gap, an estimated additional 529 dwellings were required in 2008 for those in most need, with a further 3,137 dwellings needed by 2018.

National Partnership Agreement on Remote Indigenous Housing

The scale and the seriousness of the problems facing the Indigenous housing sector has been recognised by the current Commonwealth, State and the Northern Territory governments through the significant injection of funds agreed by COAG in December 2008 under *the National Partnership Agreement on Remote Indigenous Housing*. This National Partnership Agreement has been put in place by governments as a ten year funding strategy to reform responsibilities between the Commonwealth, the States and the Northern Territory in the provision of housing for Indigenous people in remote communities and to address overcrowding, homelessness, poor housing condition and severe housing shortage in remote Indigenous communities. The total value of the National Partnership Agreement is \$5.48 billion over 10 years to 30 June 2018. The existing *Strategic Indigenous Housing and*

¹⁵⁰ Overcrowding can be defined as occurring when the dwelling size is too small for the size and composition of the household living in it. The *Canadian National Occupancy Standard* measures the bedroom requirements of a household based on the number, age, sex and relationships of household members. It specifies that:

- there should be no more than two persons per bedroom;
- children less than 5 years of age of different sexes may reasonably share a bedroom;
- children less than 18 years of age and of the same sex may reasonably share a bedroom;
- single household members aged 18 years and over should have a separate bedroom; and
- a single person household may reasonably occupy a bed sitter.

Households that require one or more additional bedrooms to meet the standard are considered to be overcrowded. See: Australian Institute of Health and Welfare (AIHW), *Indigenous Housing Need, 2009 - A Multi-Measure Needs Model*, October 2009, pg 13.

¹⁵¹ *ibid.*, p. IX.

Infrastructure Program (SIHIP) agreement between the Commonwealth and Northern Territory Governments has been incorporated into the National Partnership Agreement.

Housing investment for the benefit of Indigenous people is a central plank to achieving the targets for *Closing the Gap* on Indigenous disadvantage. The National Partnership Agreement recognises that a major investment is required if the problems of overcrowding, poor quality existing housing and insufficient housing to meet demand in remote Indigenous communities is to be addressed. Similarly, through the *National Affordable Housing Agreement*, which commenced in January 2009, COAG is making a major investment in mainstream social housing which will benefit many Indigenous Australians living in urban and regional locations.

In addition, in February 2009, the Commonwealth announced the provision of additional funding for social housing under the *Nation Building - Economic Stimulus Plan*. This initiative is providing funding of \$5.238 billion until the end of 2011-12 for the construction of new social housing and a further \$400 million over two years for repairs and maintenance to existing public housing dwellings. It is being conducted in partnership with the state and territory governments. It is intended to provide a boost to public housing and housing administered by the not-for-profit community sector and is designed to assist low income Australians who are homeless or struggling in the private rental market.

Indigenous Australians living in urban and regional Australia are expected to be significant beneficiaries from this social housing program. The program is designed to allow the States and Territories to target people identified as at risk, including Indigenous Australians.

The *National Partnership Agreement on Remote Indigenous Housing* intends to put in place:

- a supply of safe and adequate housing that will contribute to improved living standards for Indigenous people in remote communities;
- robust and standardised tenancy management of all remote Indigenous housing that ensures rent collection, asset protection and governance arrangements consistent with public housing standards;
- a program of ongoing maintenance and repairs that progressively increases the life cycle of remote Indigenous housing from seven years to a public housing-like lifecycle of up to 30 years;
- construction of new houses and ongoing repair and maintenance of houses in remote Indigenous communities;
- increased employment opportunities for local residents in remote Indigenous communities;
- accommodation such as hostels and subsidised rental housing in regional areas to support people from remote communities to access training, education, employment and support services;
- progressive resolution of land tenure on remote community-titled land in order to secure government and commercial investment, and
- economic development opportunities and home ownership possibilities in economically sustainable communities.

Under the *National Partnership Agreement on Remote Indigenous Housing*, the States and the Northern Territory have agreed to assuming responsibility for the delivery of new housing and upgrades of existing housing in remote Indigenous communities with the Commonwealth being the primary source of additional funds. These new arrangements are intended to *'allow the Commonwealth Government to focus on achieving measurable outcomes while States and the Northern Territory utilises their experience in the provision of housing to implement the required changes'*.

The investment of up to \$5.48 billion over ten years will allow for¹⁵²:

- the construction of up to 4,200 new houses to be built in remote Indigenous communities;
- upgrades and repairs to around 4,800 houses in remote communities;
- increased local training and employment opportunities in construction and housing management (providing up to 2,000 new jobs); and
- up to 9,000 families accessing safe and healthy housing.

While the National Partnership Agreement did put the onus on the States and the Northern Territory to accept responsibility for the delivery of new housing and upgrades of existing housing in remote Indigenous communities, the Agreement did note that one of the roles of the Commonwealth was to fund 'the provision of some municipal and essential services under existing arrangements to Indigenous communities pending the development and take-up of agreed funding responsibilities with the States and the Northern Territory'.

These funding responsibilities of the Commonwealth are covered in more detail later in this chapter. In addition to the funding of specific municipal and essential services to Indigenous communities, the Commonwealth has continued to fund under the National Partnership Agreement some 'national projects' (e.g. *Fixing Houses for Better Health* (FHBH) and the Centre for Appropriate Technologies' *Bushlight* program).

The Review is concerned that while these projects are important in improving the living conditions and environmental health of Indigenous communities, it is questionable whether all these projects should continue to be funded under the National Partnership Agreement by the Commonwealth. The Review considers that these programs should be funded by the States and the Northern Territory given those jurisdictions' responsibilities for housing and the provision of municipal and essential services to all Australians.

Implementation challenges

Nevertheless, as current experience is showing, delivering housing, particularly in remote areas of Australia is a challenging exercise. Despite the best of intent, the long lead times involved in delivering housing are creating political and bureaucratic tensions and leading to cynicism and distrust amongst Indigenous people hoping to benefit from the significant amount of additional funds promised by governments for housing.

¹⁵² Department of Families, Housing, Community Services and Indigenous Affairs, *2009-10 Budget Fact Sheet on the National Partnership Agreement on Remote Indigenous Housing*, FaHCSIA, Canberra, 2009.

The perceived delays in delivering housing are seen as signs of failure by government rather than a reflection of the need for proper planning and project management and the need to consult with affected Indigenous communities.

Under the *National Partnership Agreement on Remote Indigenous Housing*, capital works plans for 2009-10 are intended to see the construction of 320 new houses in Indigenous communities and the upgrade of 1000 houses. However, progress to date in meeting these housing targets has been slow. Based on FaHCSIA data, as at February 2010, the construction and acquisition of 150 houses across Australia was underway, with 15 houses completed. Work is underway or completed on a further 240 rebuilds and refurbishments.

One of the particular challenges is that the Commonwealth is funding the new and upgraded housing to be delivered to Indigenous Australians, but leaving it to the States and the Northern Territory to deliver the new housing and upgraded housing. There continues to be a question mark over the capacity of some States and the Northern Territory to deliver on these important commitments. Building houses, particularly in remote locations is a complex exercise requiring strong, experience, professional project management skills and the ability to deal with the challenging and at times conflicting requirements of:

- the need the timely construction;
- effective consultation and engagement with Indigenous communities;
- choosing housing designs at a durable and culturally acceptable, yet are reasonably priced and easy to construct;
- developing contractual arrangements that can lead to economies of scale to help keep housing construction costs under control;
- organising the availability of suitably skilled tradesmen and dealing with the complex logistics of building houses in remote locations particularly in those locations affected by high summer temperatures and impact of the wet seasons; and
- providing training and employment opportunities for Indigenous people, particularly in the communities in which the housing is being provided.

In addition, where housing is to be built on Indigenous community land, there has been the challenge of reaching agreement with Indigenous communities on the leasing of land to enable governments to maintain responsibility not only further construction of the new housing, but also for its repair and maintenance as publicly tenanted housing. In many communities, this has been a source of significant tension, particularly given Indigenous connection to their land and past government practices of gifting houses to Indigenous communities.

The Commonwealth Government will have to maintain an ongoing vigilance and use all the bureaucratic levers at its disposal if the ultimate aims of the *National Partnership Agreement on Remote Indigenous Housing* are to be achieved.

For example, the Commonwealth Government's relationship with the Northern Territory government was severely tested by the significant problems identified with the Northern Territory's management of the delivery of Indigenous housing through the 'alliance' construction project methodology put in place under SIHIP. The review conducted by senior officers of both governments identified fundamental project management weaknesses and

poor cost control practices by Northern Territory government officials. Too much reliance and trust was placed on the private sector project managers to make decisions that were in the best interest of government as the (ultimate project sponsor and owner).

The joint review's findings also demonstrated the importance of Commonwealth Government officials taking a close and direct interest in the progress of complex projects such as the provision of Indigenous housing. The reliance by Commonwealth officials on the use of senior level steering committees as the means of overseeing progress in the delivery and construction of Indigenous housing was shown by the review to be insufficient.

As a result, at the end of 2009, FaHCSIA established an Office of Remote Indigenous Housing and deployed senior FaHCSIA staff to the Northern Territory and to other key jurisdictions to better monitor the delivery of capital works and Indigenous housing reforms agreed under the National Partnership Agreement. In the Northern Territory, concerns over the Northern Territory Government's performance has meant that the FaHCSIA staff have actually been 'embedded' within the Territory's Indigenous housing organisation, while in the other States, FaHCSIA staff are working closely with state housing department and authority staff in ensuring that targets and timetables agreed under the social housing and Indigenous housing national partnerships are achieved.

In his November 2009 report, the Coordinator-General provided a case study which detailed the intervention made by the Commonwealth and Northern Territory Governments through SIHIP.¹⁵³ The Coordinator-General noted that like many other infrastructure and program design phases, the review of this program uncovered an absence of detailed scoping, open ended consultation and too many layers of management. Nevertheless, the Coordinator-General noted the willingness of the Commonwealth and Northern Territory Governments to address these early implementation issues and, therefore, demonstrate a commitment to realising improved housing conditions for Indigenous Australians. As land tenure issues are resolved, the Coordinator-General commented that the model of contracting being used should maximise benefits to remote Indigenous communities, taxpayer value for money and Indigenous employment opportunities.

While the very public re-examination of the SIHIP program was difficult for some, the Coordinator-General noted that the willingness of both the Australian and Northern Territory governments to intervene to ensure the SIHIP program delivered on its objectives and that this attitude should be encouraged. 'If governments are serious about working differently to secure better life outcomes for Indigenous people, they must be prepared to be agile, backing approaches that work and discarding those which prove ineffective.'¹⁵⁴

As a result of concerns regarding slow progress in some jurisdictions, and taking into account the learnings from the SIHIP review, the Prime Minister gained COAG agreement at the December 2009 meeting for the Commonwealth to renegotiate with the States and the

¹⁵³ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 89.

¹⁵⁴ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 88.

Northern Territory the terms of the *National Partnership Agreement on Remote Indigenous Housing*.

The Review has been advised that these negotiations have been completed, with the Prime Minister recently writing to the States and the Northern Territory seeking their formal agreement to the revised *National Partnership Agreement on Remote Indigenous Housing*. It is understood that under the terms of the new *National Partnership Agreement on Remote Indigenous Housing* which commences from 1 July 2010, State and Northern Territory performance in delivering new and upgraded housing to remote Indigenous communities will become a specific factor in funding allocation decisions by the Commonwealth. In future, capital funding to the States and the Northern Territory will be based on competitive bid proposals from the States and the Northern Territory with capital allocations varying by ± 25 per cent depending on the ability of the States and the Northern Territory to deliver, the strength of the project proposals and relative demonstrated performance of the States and the Northern Territory.¹⁵⁵

Historically, the *National Partnership Agreement on Remote Indigenous Housing* represents the most significant commitment of funds and effort by Australian governments in Indigenous housing.

Nevertheless, even if the Indigenous housing targets set in the *National Partnership Agreement on Remote Indigenous Housing* are met, based on available data it is likely that there will still be a significant shortfall in housing availability for residents of remote Indigenous communities. In 2009, it was estimated that there was a need for around 7,700 new houses across Australia's remote Indigenous communities.¹⁵⁶

Under the *National Partnership Agreement on Remote Indigenous Housing*, it is planned to deliver 4,200 new houses in remote Indigenous communities over 10 years. Given the high population growth rates being experienced by these remote Indigenous communities, the number of houses to be constructed under the National Partnership Agreement may fall short of estimated need particularly in the light of population growth and acknowledged undercounts in ABS census data.

When account is taken of the need for new and upgraded social and utility infrastructure to support the residents of these remote Indigenous communities, many billions of dollars will still need to be spent by Commonwealth, State and Northern Territory governments over and above that already committed under the *National Partnership Agreement on Remote Indigenous Housing* if existing and future need for housing and infrastructure in remote Indigenous communities is to be met.

¹⁵⁵ J Harmer & A Cattermole, Department of Families, Housing, Community Services and Indigenous Affairs, *Senate Estimates Hearings*, Community Affairs Committee, 12 February 2010.

¹⁵⁶ Australian Institute of Health and Welfare, for the Housing Ministers' Advisory Committee, 2006.

RECOMMENDATION

- 43.** A coordinated whole-of-government response is urgently required to manage implementation of a range of housing and infrastructure programs in regional and remote Australia that are competing for scarce resources and placing cost pressures on budgets that are already stretched.

Asbestos identification and removal in remote Indigenous communities

In November 2008, the Australian Government agreed to provide \$17 million for the *Asbestos Management Project* in the 73 Northern Territory Emergency Response (NTER) prescribed communities. The purpose of the program was to work with the Northern Territory Government to complete surveys to identify all asbestos containing material, remove any asbestos containing material which is in poor or damaged condition and is deemed to have the potential to pose an unacceptable risk, and clearly mark all buildings where asbestos containing material remains in any of the NTER communities. The Commonwealth is leaseholder of 64 of the 73 NTER communities which, while the Commonwealth is the leaseholder, are also workplaces for Commonwealth employees under the *Commonwealth Occupational Health and Safety (OHS) Act 1991*. This program will ensure that the Commonwealth complies with the OHS Act and the *National Code of Practice for the Management and Control of Asbestos in Workplaces* with respect to asbestos containing material in the 73 NTER communities

Funding of \$15.721 million was provided in 2009-10 for this work. However, the Review understands that no funding has been allocated for the removal of any remaining stabilised asbestos from any the communities where it has been found. In principle, this can be addressed at the point when it is considered necessary to disturb the asbestos in any future maintenance or refurbishment work, albeit with appropriate work safety standards and the associated costs of that work. This is the standard practice that is required of asbestos management across the Australian community.

Army Aboriginal Community Assistance Program

The Army Aboriginal Community Assistance Program (AACAP) is a co-operative initiative between FaHCSIA and the Australian Army to improve environmental health conditions within remote Indigenous communities. New AACAP projects will continue to at least 2013. Annual funding \$6 million has been provided in 2009-10 for this program.

Each project has a construction component, a health component and a training component. The construction component focuses on the provision of environmental health infrastructure such as housing, water, sewerage and electrical services as well as improving access to primary health care facilities by constructing or upgrading roads and airfields. The health component focuses on augmenting existing community medical, dental and veterinary programs. The training component focuses on specific skills required within the community and includes courses on construction and building maintenance, vehicle and small engine maintenance, welding, concreting and cooking.

This program is delivered in selected remote Indigenous communities by Army. Army undertakes projects only after close consultation with the Indigenous communities concerned. This program has been supported by Army not only because of the benefits to remote Indigenous communities brought about by Army's involvement in providing new housing and infrastructure as well as employment and training opportunities for local inhabitants of these Indigenous communities, but also because it provides Army with an opportunity to test its capability to deliver housing and infrastructure services for overseas exercises.

This program is seen as a valuable adjunct to any military preparation for overseas exercises to remote Indigenous communities. Therefore, the Review considers that funding for this program should continue on the basis that Army have the resources to adequately undertake the programs agreed between Defence and FaHCSIA. If Army consider that there is no further need to continue with this program, then funding for the program should cease rather than be reallocated by FaHCSIA to other Indigenous housing and infrastructure activities.

Home ownership

Land tenure issues

The Commonwealth Government has clearly stated that a pre-condition of better housing is secure, long-term tenure of the underlying land.

*Without this security, ownership of assets is uncertain, responsibilities for management and maintenance confused, and incentives for private investment absent.*¹⁵⁷

Communal title lands are primarily in remote Indigenous settlements, where lands are jointly held in trust to the broader community. While less common, there are also communal title lands within the boundaries of regional towns and metropolitan cities throughout Australia.

In its discussions with Indigenous communities, the Government is insisting on appropriate security to underpin housing investment in remote Australia in the form of a lease or other arrangement which ensures clarity of ownership and responsibility for assets.

Generally, this will be achieved through government negotiation of long term leases with traditional owners, whether over a whole town, portions within the town or individual lots. The leases are needed to enable the Commonwealth government to invest in new housing that it will be able to maintain and repair, while the relevant State government will be able to manage the property and collect rent.

Tenure reform is also being used to underpin the extension of home-ownership opportunities to people living on Indigenous land in remote Australia. Long term leases on

¹⁵⁷ Commonwealth Government, *Closing the Gap between Indigenous and Non-Indigenous Australians*, 2008-09 Budget papers, p. 12.

Indigenous community land are also expected to facilitate private sector investment to expand the housing asset base and to encourage private home ownership.

While Indigenous communities have expressed impatience at delays in the provision of new and refurbished housing, the Coordinator-General noted in his November 2009 report to COAG¹⁵⁸ that during his visits, individuals had concerns about some aspects of the reforms being implemented. In particular, there was some confusion and differences of view in some communities about government insistence that new housing is underpinned by long term leases and mainstream tenancy management arrangements. Those with concerns were wary of reforms that related to land tenure because of their connection to the land and governments' changing approach to tenure issues.

According to the Coordinator-General, these concerns had meant that governments had to progress tenure reform at a pace that was respectful to Indigenous people and acknowledges their concerns.

In the *National Partnership Agreement on Remote Indigenous Housing*, COAG agreed that the Commonwealth would have responsibility for funding for additional Indigenous housing and housing-related infrastructure in remote Australia, conditional on secure land tenure being settled. In this regard, the National Partnership Agreement also stated that the States and the Northern Territory would have responsibility for developing and implementing land tenure arrangements to facilitate effective asset management, essential services and economic development opportunities.

As a result, the Commonwealth Government is working with the States and the Northern Territory on developing the right conditions for secure tenure over housing where they have the legislative responsibility.

In his November 2009 report, the Coordinator-General considered that State and Territory governments appeared to have recognised that structural change was required to address tenure and tenancy management. For example, the Queensland Government had established a Remote Land and Infrastructure Program Office in Cairns, which had commenced negotiations with Councils over 40 year leases.

However, the Coordinator-General was keen that State and Territory governments maintain their momentum in resolving tenure issues to enable housing upgrades and the construction of new houses to continue. This was particularly the case in Western Australia, where the Coordinator-General recognised that this issue was a complex one to resolve but was concerned that the West Australian government needed to recommit to the resolution of these tenure issues.¹⁵⁹

The Coordinator-General was concerned that while progress was being made in resolving tenure issues and construction was underway in many communities, the targets state and territory governments had nominated in some areas, appeared ambitious. Therefore, state

¹⁵⁸ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 88.

¹⁵⁹ *ibid.*, Recommendation 6.1.

and territory governments ‘needed to apply the same drive that has been evident in the roll out of the social housing component of the National Building and Stimulus Package to this endeavour’¹⁶⁰.

In its consultations, the Review identified a concern expressed by some Commonwealth government officials that there was a lack of genuine commitment by the Western Australian, New South Wales and Queensland governments to put in place the legislative changes needed to support long-term leasing of community land and to reach agreement with Indigenous communities to support the long-term leasing of land.

In this light, the Review is concerned that there is a real risk to the timetable for meeting the COAG Closing the Gap targets arising from the challenges and delays in progressing and completing negotiations with Indigenous communities over land tenure and leasing issues coupled with the lack of strong support by some State governments for reforms to Indigenous community land tenure arrangements.

Home Ownership on Indigenous Lands (HOIL) Program

The Australian Government is currently seeking to provide the option of home ownership to more Indigenous people, as one means of *Closing the Gap* between Indigenous and non-Indigenous Australians. The benefits of home ownership are widely recognised to extend beyond basic shelter to economic prosperity, a sense of security and improved health and wellbeing outcomes. A number of home ownership schemes for Indigenous people have operated in Australia, the most recent being the *Home Ownership on Indigenous Lands* (HOIL) Program.

HOIL is an Australian Government initiative to provide options for Indigenous people on community title land to buy their own home. It is aimed at Indigenous people who are able to obtain a long-term transferable lease on Indigenous land and who are able to service a home loan through Indigenous Business Australia (IBA).

HOIL loans are delivered by IBA, while FaHCSIA is responsible for HOIL policy and for negotiations with Indigenous communities regarding the establishment of long-term transferable lease on Indigenous land. FaHCSIA also provides a good renters discount and money management projects as part of HOIL. The program’s objectives are to provide a range of housing loan products to eligible Indigenous Australians to assist them in buying their own home on community titled land so as to increase the Indigenous home ownership rate. AGD provides advice where native title issues intersect with the HOIL program.

Since 2006-07 IBA has received a total of \$54.56 million for the home loan component of the HOIL program. However, for a range of reasons, including the challenges of getting the agreement of Indigenous communities to the long term leasing of community land for housing and working with relevant States on legislative changes to facilitate long term leases for home ownership, there have been only a few housing loans approved by IBA under HOIL. To date \$1.8 million has been committed for twelve loans with the balance (including accrued interest) currently held by IBA in interest bearing bank deposits.

¹⁶⁰ *ibid.*, p. 88.

Home Ownership Program (HOP)

The Home Ownership Program (HOP) provides housing loans to Indigenous Australians who are unable to access bank finance to take out home loans where normal land tenure and market conditions apply.

The HOP is managed by IBA and is funded primarily through the *New Housing Fund*, which was established under the *Aboriginal and Torres Strait Islander Act 2005*. IBA can only use funds in the *New Housing Fund* for the purpose of home loans, either directly to individuals or bodies or to enable Indigenous Australians to obtain housing loans from lenders operating on a commercial basis. All repayments on the loans are paid back to the *New Housing Fund* so that they can be re-lent for further loans.

In 2008-09 IBA provided 348 home loans to Indigenous families fully utilising the funds available in the *New Housing Fund*. HOP generated \$86.13 million in income from loan repayments and loan discharges in 2008-09. The current active portfolio balance for HOP is \$561 million. IBA is able to offer loans to eligible Indigenous Australians at subsidised interest rates. The weighted average interest rate for the portfolio as at 31 October 2009 was 3.99 per cent.

Despite the economic downturn, demand for HOP loans has remained strong and continues to grow, with the current waiting list now estimated by IBA to be 1,427 with an estimated funding requirement of \$292 million. Demand for HOP loans is being driven by a young and growing Indigenous population, increasing rental costs compared to ownership costs and a tightening of private sector bank lending criteria.

Over the last year IBA has adopted strategies to stretch the available HOP capital. IBA has:

- established formal arrangements with several banks to enhance the rate at which IBA's clients transition to the normal banking sector;
- changed lending arrangements so that new lending is now being provided only for amounts that borrowers cannot obtain from a mainstream lender; and
- extended IBA's split loan product to a larger group of clients who may be able to source some, but not all, of their home loan funds from banks.

Temporarily transferring unutilised HOIL capital to fund loans under HOP

The importance of providing Indigenous people with the opportunity to own their own homes has strong bipartisan support. Home ownership is considered to be a key element for the future economic prosperity, health and wellbeing of Indigenous people. The Review considers that every effort should be made to make sure that funds provided for home ownership are able to be used for that purpose.

However, it is clear that in the short to medium term there will continue to be challenges for governments in resolving land tenure issues and providing sufficient housing to enable more people in remote Indigenous communities to take up the opportunities offered by HOIL for home ownership. Both FaHCSIA and IBA consider that it will still take some time for the demand for HOIL loans to meet the amount appropriated for this program.

Therefore, IBA has been developing a proposal of using unutilised HOIL capital to fund loans under HOP. Both programs, HOP and HOIL, target low income Indigenous families who are unable to meet the stringent criteria of the commercial sector and allow Indigenous Australians to consider home ownership as an alternative to remain independent on public or community housing.

It is recognised that this is not a complete solution for the HOP capital shortfall, but that it is a better utilisation of the HOIL funds while IBA awaits the resolution of a number of land tenure issues which should then support an increasing number of loan applications for housing on Indigenous community land.

HOP already caters to metropolitan, regional and rural zones in a relatively even split (53 per cent in regional/rural and 47 per cent in metropolitan) and providing additional funds at this time will help meet the need in urban areas as well as rural Australia.

The proposal would involve unutilised HOIL capital including accrued interest (approximately \$56 million) being quarantined within a special bank account separate to the *New Housing Fund* to maintain the integrity of the HOIL program into the future.

The extra funds would be used immediately for HOP loans (potentially up to 250 loans - the majority in regional and metropolitan areas). Demand for HOIL loans over the next four years is estimated by IBA to be approximately \$10 million per annum. Therefore, IBA consider that future HOP revenues (currently around \$86 million per annum) can easily cover this level of commitment. So that Indigenous people living on community land are not disadvantaged by this arrangement, IBA propose that demand for HOIL-type loans would be prioritised each year (to the full amount appropriated for HOIL).

The Review has been advised by IBA that the proposal has a zero impact on Budget fiscal balance and underlying cash.

In this light, the Review proposes that the necessary steps be taken to combine, temporarily, IBA's HOIL and HOP programs to provide greater flexibility in the use of these funds to meet outstanding demand amongst Indigenous Australians for home loans.

Fixing Houses For Better Health (FHBH)

This program involves grant funding to Healthabitat to organise minor repairs and maintenance to existing Indigenous housing. *Fixing Houses for Better Health* (FHBH) is a small scale repairs and maintenance program aimed at improving house functionality in remote Indigenous communities. A standardised assessment is conducted pre and post repair work. Additional research and development projects are also conducted.

The FHBH projects aim to achieve better health outcomes for Indigenous Australians living in rural and remote communities by improving the housing in which they live and sustaining this improvement over time. FHBH projects employ and train local community members to maintain their houses in working order and encourages Indigenous community to take responsibility for ongoing maintenance after the FHBH has made improvements to the housing.

FaHCSIA is providing \$5.5 million in 2009-10 towards this program with a further \$5.5 million committed for 2010-11. The States and the Northern Territory are familiar with this program and some jurisdictions have already used the services of Healthabitat.

Responsibility of Indigenous housing and infrastructure, including related repairs and maintenance, rest with the States and Territories. Significant funding has been provided by the Commonwealth to the States and Territories for housing and infrastructure as part of the *National Partnership Agreement on Remote Indigenous Housing*. Therefore the Review proposes that funding of FHBH by the Commonwealth should cease at the end of the current contract on 30 June 2011.

RECOMMENDATION

44. In respect of Indigenous housing:

- 44.1.** Note the steps that have recently been taken to strengthen delivery of the *National Partnership Agreement on Remote Indigenous Housing*, including the *Strategic Indigenous Housing and Infrastructure (SIHIP)* program.
- 44.2.** Note the success of IBA's *Home Ownership Program (HOP)*, and combine this program temporarily with IBA's *Home Ownership on Indigenous Land (HOIL)* program, in the interests of greater flexibility in the use of the available funds.
- 44.3.** Cease funding the *Fixing Houses for Better Health (Healthabitat)* program when the current contract concludes on 30 June 2011, noting that funding for housing repairs and maintenance is now covered by the *National Partnership Agreement on Remote Indigenous Housing*.

Staff housing and office accommodation

There is insufficient housing and office space for staff and service providers in most remote Indigenous communities. This was specifically identified in the *Evaluation of Service Delivery in Remote Indigenous Communities* carried out by the Office of Evaluation and Audit (OEA) which was released by the Minister for Finance and Deregulation in July 2009. It has also been a strong and consistent theme raised by officers from a number of departments and agencies during the Review team's consultations.

If government departments and agencies as well as organisations contracted by governments to provide services are to achieve the outcomes sought by governments in remote Indigenous communities, then it is imperative that government and contractor staff be able to have ongoing access to the Indigenous communities they are trying to work with.

Service delivery cannot happen by remote control. Addressing complex issues such as domestic violence, drug and alcohol issues, child neglect and abuse as well as working with communities on improving education, health and employment outcomes, cannot be effective if staff and contractors cannot be located in the communities themselves.

Insufficient housing and office space for government staff and service providers in many remote Indigenous communities has led to 'fly in - fly out' visits and one or half day

'workshops' and meetings rather than the ongoing engagement with Indigenous communities that is required. It also means contracted service providers cannot effectively deliver services in remote communities, thus putting at risk the ability of government staff and contractors to deliver the Government's *Closing the Gap* targets.

Ongoing engagement with Indigenous communities requires developing personal, face-to-face working relationships with community leaders and community organisations. However, it is not realistic or feasible to expect staff to work in communities for any length of time without access to adequate housing and office accommodation on community.

It is recognised that the Government faces the dilemma that many remote Indigenous communities lack adequate housing for their own people. Therefore, providing public servants and contractors with accommodation in a remote Indigenous community while the inhabitants of that community are still waiting for their houses to be repaired or for much needed houses to be constructed, can be perceived as the Commonwealth Government looking after its own staff at the expense of the housing needs of the inhabitants of remote Indigenous communities.

Any investment program will need to have regard for these sensitivities and the desirability that housing and infrastructure for staff and for the community are developed in tandem.

FaHCSIA is currently undertaking a survey across all Commonwealth agencies to determine staff housing need. It is understood that FaHCSIA will use the survey results as the basis for seeking funding to deploy short term demountable style accommodation for staff housing and office accommodation to meet the most immediate needs, including for priority RSD communities.

Demountable accommodation will have the advantage of minimising the cost and the time needed for getting that accommodation into place. The use of demountable accommodation increases flexibility in accommodation options for agencies as the demountable structures are portable and, therefore, can be moved to other locations as and when required.

FaHCSIA has purchased and installed a large quantity of demountable accommodation to house a number of government staff in the Northern Territory since the commencement of the NTER in mid-2007. The provision and use of demountable accommodation has subsequently been expanded to other remote Indigenous communities outside the Northern Territory as part of the RSD strategy.

The use of demountable accommodation for staff housing and office accommodation can only be seen as a short-term response to an urgent need. The Review understands that as a longer run strategy, FaHCSIA is working on proposals that would involve the private sector as well as Indigenous business organisations in providing accommodation that could be leased to governments for use as housing or office accommodation in remote Indigenous communities.

In non-remote regions, properties required to house staff and support the delivery of government services are generally leased from the stock of privately owned

accommodation. However, in many remote communities, there is a clear market failure in relation to commercially available properties to support services and staff housing.

Private sector perceptions of risk combined with past Government practices in funding accommodation through grant funding or direct ownership have limited private sector investment. As a result, new organisations are often discouraged from entering the service provider market in remote regions, because of the high capital costs of entry due to the need to find office space and accommodation for the organisations' staff.

FaHCSIA is proposing that, in line with arrangements in other non-remote locations, it should be possible to establish 'build to lease' arrangements with the private sector through the provision of rental accommodation. Under this arrangement, government agencies and government funded service providers would be required to pay market rents for the accommodation.

Governments could provide investment certainty by agreeing to enter into fixed medium to long-term leases for the premises, thereby sharing any real or perceived risk with the private sector providers of the accommodation and also providing certainty of revenue streams for the investors.

Economies of scale could be achieved by the Commonwealth and State and Territory governments working together to determine future housing and office accommodation needs (for both service provider and government employed staff) and agreeing to commit to leasing arrangements under a single head lease.

One approach could be to have a single agency which would be responsible to the head lease and also the negotiating cross agency tenancy management arrangements, including management of vacancies and subleasing arrangements.

This proposal for involving the private sector in the provision of housing and accommodation should encourage better servicing and increased economic activity by establishing a commercial leasing market. In addition, it would reduce the cost of entry to service providers by enabling these organisations to rent rather than buy premises in order to establish an on the ground presence in remote communities.

Under this proposed approach, local Indigenous landholders and Indigenous owned organisations could also be encouraged to take up opportunities to own and/or manage the properties. An alternative approach would be for State and Northern Territory housing authorities to provide housing and office accommodation using their own funds plus funds provided by the Commonwealth. A further alternative is for a Commonwealth entity such as Defence Housing Australia to take on this task.

Overall, the Review supports the proposed coordinated, whole-of-government approach to the provision of staff housing, office accommodation and service infrastructure in remote Australia led by FaHCSIA.

RECOMMENDATION

45. In respect of staff housing and related infrastructure needs:
- 45.1. FaHCSIA should coordinate a whole-of-government approach to the provision of staff housing, office accommodation and service infrastructure in remote Australia.
 - 26.1. In view of the urgent need to address the current critical shortfall in staff housing and office accommodation in a number of remote Indigenous communities (including priority RSD communities), consideration be given to deployment of short-term demountable style accommodation for this purpose.

Aboriginal Hostels Limited (AHL)

Introduction

Aboriginal Hostels Limited (AHL) was established in 1973¹⁶¹ as a national network of hostels providing affordable and culturally appropriate accommodation for Indigenous people. This was seen as particularly critical for Indigenous people at that time who needed to travel from home but who had few options for safe, secure accommodation. AHL still fulfils that role, although in its Annual Report¹⁶², the organisation states that it places an increased emphasis on supporting Indigenous people to achieve better economic and social outcomes for themselves and their families, through working in partnership with other organisations.

AHL has been structured as a company wholly owned by the Australian Government and is covered by the *Commonwealth Authorities & Companies (CAC) Act 1997*. It operates within the Families, Housing, Community Services and Indigenous Affairs portfolio. AHL has an independent non-executive Board of nine directors.

According to its Annual Report¹⁶³, AHL's vision is to work with government, business and communities to help 'Close the Gap' between Indigenous and other Australians in education, health, employment, accommodation and quality of life. AHL's key purpose is to improve Indigenous quality of life through the delivery of hostel accommodation to enable access to education, employment, health and other services.

AHL operates many hostels itself. The organisation also grant funds other community organisations to operate hostels through AHL's *Community Hostel Grants Program*.

In 2008–09, AHL operated 50 hostels and 22 *Indigenous Youth Mobility Program* houses and funded 66 community hostels. Together, these services provided on average 3,187 beds each night across Australia and served more than 9,000 meals each day.

¹⁶¹ Aboriginal Hostels Limited, *Annual Report 2008-09*, AHL, 2009.

¹⁶² *ibid.*

¹⁶³ *ibid.*

AHL's residents are charged a tariff that is intended to be affordable for recipients of Centrelink benefits. In 2008–09, AHL collected nearly \$9.9 million in tariff charges. The Australian Government provides funds to cover the gap between tariff income and the cost of providing the hostel services.

AHL is one of the largest providers of employment and training for Indigenous people. As at 30 June 2009, AHL had 520 employees, of whom 82 per cent were Indigenous.

AHL operates and funds approved organisations to operate nine different categories of hostels to meet a range of accommodation needs:

- transient hostels provide short-term accommodation in towns and cities for people and families seeking permanent employment and housing, taking up employment, or meeting general business and other commitments away from their homes and communities;
- homeless hostels specifically provide accommodation to assist homeless youth and adults to develop life skills to enable them to live independently within the wider community. Along with transient category hostels, homeless hostels assist many residents in this group until they find longer term accommodation;
- medical transient hostels provide accommodation and support for patients and families who must leave their communities to access medical treatment, including renal dialysis. There are also hostels specifically for women requiring antenatal and postnatal care.
- aged care hostels provide accommodation and care for elderly Indigenous people, particularly those with disabilities or chronic health problems;
- secondary education hostels provide accommodation for secondary students to enable them to access secondary education and complete high school;
- tertiary education and training hostels provide accommodation to facilitate student access to tertiary education and training;
- Indigenous Youth Mobility Program hostels provide accommodation for people aged from 16–24 years from rural and remote areas who are participating in apprenticeships, traineeships and higher education under DEEWR's *Indigenous Youth Mobility Program*; and
- substance use rehabilitation hostels provide accommodation for young people and adults to enable them to access substance use rehabilitation and education programs.

Ernst & Young review of AHL

In February 2008, Ernst & Young completed an independent review of AHL. This review¹⁶⁴ covered AHL's governance and administrative arrangements, its planning processes and its financial management arrangements.

The Ernst & Young review found that *'as a starting point the issues relating to the strategic direction of AHL need to be addressed before considering any underlying business or operational issues.'* Ernst & Young were of the view that there had been a lack of strategic direction for the organisation and, as a result, the Government *'does not have the necessary*

¹⁶⁴ Ernst & Young, *Final Report -- Review of Aboriginal Hostels Ltd (AHL)*, Ernst & Young, 2008.

*assurance that AHL's operations are currently aligned to broader Indigenous housing policy initiatives*¹⁶⁵.

As a result, Ernst & Young recommended that the portfolio Minister needed to clearly determine and identify the outcomes of strategic objectives sought from AHL and articulate these in a Statement of Expectations for AHL. This Statement should include consideration of the outcomes sought from the services provided by AHL, the types of hostel services to be provided by AHL, the locations of hostel services (noting that Government's focus on remote Indigenous communities), whether the focus should be on company owned hostels or community-based facilities and whether AHL should continue its stated role as a 'gap provider'.

Ernst & Young expressed the view that the current executive and senior management may not have the capacity to undertake this task adequately¹⁶⁶ noting that AHL has a hierarchical structure that focuses on operational issues, even at the executive level.

As AHL was facing a fundamental difficulty in meeting expectations as both a service provider and the gap provider, Ernst & Young suggested that the Government should clearly identify whether AHL is to continue in its role as a gap provider. If AHL is to continue in this role, then FaHCSIA needs to play a greater role in the decisions over the establishment and funding of hostels as well as the ongoing operations of the hostels.

Ernst & Young noted that there was very little information collected by AHL to assist in the consideration of the strategic outcomes currently pursued by the organisation, including its health, educational and employment-related goals for its Indigenous clients. The lack of performance information on hostel services and the weaknesses in AHL's management and administrative processes meant that Ernst & Young could not identify the relative merits or effectiveness of AHL's hostels, the service types offered by AHL and the organisation's operations in particular regions.¹⁶⁷

Ernst & Young characterised AHL's current business model as a 'one size fits all' approach. The same governance, administration and service delivery approaches apply, irrespective of the type of service or the needs of the client base. This apparent rigidity in its current business model was having an adverse impact on AHL's operational capacity and service delivery and was restricting opportunities for further development of the organisation.

Given that AHL involves itself in a number of different roles, including site development; building and construction of new hostels; property and facilities management; ongoing accommodation service delivery; and pastoral services, Ernst & Young felt that AHL's ability to effectively deliver its services was at risk. AHL management needed to determine and identify the nature and type of service that is to be provided at the various AHL hostels in a way that reflected the differing needs and requirements of hostel clients.¹⁶⁸

¹⁶⁵ *ibid.*, p. 5.

¹⁶⁶ *ibid.*, p. 5.

¹⁶⁷ *ibid.*, p. 6.

¹⁶⁸ *ibid.*, p. 7.

Ernst & Young said that there was a need to develop the skills and capacity of its staff to provide a more effective service commensurate with its clients' needs. AHL should also ensure that it remains responsive to ongoing and emerging needs amongst its clients, as well as continuously reviewing the ongoing need for its existing hostels portfolio.

Ernst & Young was concerned that there was '*compelling evidence of a number of underperforming hostels regarding occupancy levels*'¹⁶⁹. AHL needed to review the need to continue operating or funding these underperforming hostels or facilities.

Also identified were:

- shortcomings in AHL's overall approach to risk management;
- a lack of appropriate performance indicators to assess AHL's overall effectiveness;
- poorly designed reports on client satisfaction and quality of accommodation services;
- a lack of opportunity for AHL's staff to provide feedback on the administration of the organisation; and
- poor communications with external stakeholders, including Commonwealth Government agencies.

AHL hostels should be an important consideration in Indigenous program design and service delivery. Over half of AHL's residents are children.¹⁷⁰ Being a resident of AHL is seen as a positive for people seeking access to public housing in Western Australia. Similarly, decisions on the need for job protection actions can be influenced by whether a family are residents of an AHL hostel.

AHL can be a valuable source of intelligence and feedback on what is happening on the ground as Commonwealth and State agencies implement various policies under the Closing the Gap strategies. AHL can and should play an important role in acting as a 'capture point' or 'soft entry point' for Indigenous people transitioning to life in towns or urban areas.

AHL's hostels offer safe and secure accommodation where alcohol and drugs are prohibited, and bad behaviour is not tolerated. AHL's hostels are able to provide access to interpreter services where necessary, including for residents who need information about their rights and responsibilities while staying in one of our hostels. All residents must pay a tariff in advance and AHL has a 'No-Pay, No-Stay' policy.

Yet, despite receiving funding for the provision of hostel services from some Commonwealth government agencies, the Review considers that AHL is not as effective a participant as it could be in the development and delivery of Government Indigenous policies, particularly in remote locations.

The Ernst & Young review of AHL concluded that the organisation lacked the business acumen, capacity of innovation, the ability to work with key government and private sector stakeholders and the strategic direction to effectively respond to the policy and business opportunities available to the organisation. Also, over the years, AHL's management has not been effective in gaining adequate resources to fund the business at levels needed to

¹⁶⁹ *ibid.*, p. 9.

¹⁷⁰ Discussion with W Jackson, 24 November 2009.

maintain existing assets and expand the business to meet demand for its services. Inadequate funding has also meant that AHL faces major occupational health and safety and accommodation regulatory compliance issues, its staff salaries too low to gain and retain good staff and it is starved of capital necessary to maintain its assets and service quality and to enable it to respond effectively to profitable business opportunities.

Current and future role of AHL

The Review believes that AHL can play a significant role in meeting the growing need for hostel and group housing accommodation for Indigenous people in urban, regional and remote areas of Australia. However, to be able to do so, AHL needs to respond positively, promptly and comprehensively to the recommendations included in the Ernst & Young report.

In doing this, the Review considers that it is imperative that AHL Board address the weaknesses in the organisation's current management structure, governance and operations (as identified in the Ernst & Young report) and that the Board require AHL's management to develop a business model which will enable the organisation to better respond to existing and potential business opportunities. The business model should address the important role that AHL can play in helping Indigenous people living in remote Australia to transition to life in larger towns with their greater education and employment opportunities.

At the same time, the Review suggests that FaHCSIA needs to give priority to advising government on how it could address Ernst & Young's concern that there is '*a lack of strategic direction for the organisation*'. The strategy should address the ways in which AHL can better support the Government's policy directions as articulated in the Closing the Gap targets and how AHL could make best use of the capabilities and assets available to it in support of those objectives.

Views that have been put to the Review on these issues include that AHL should focus on being a vehicle for the implementation of government policy, providing much-needed employment opportunities to Indigenous Australians and responding to the hostel accommodation needs of Indigenous people as identified (and funded) by government departments and agencies. It has also been proposed that AHL should focus on building on its role as a business which understands the niche market in which it operates and is able to recognise opportunities for providing cost effective, safe, secure and culturally appropriate accommodation across Australia to Indigenous people which not only meets current needs but is also able to respond to future opportunities.

The development of the proposed strategy and clarification of AHL's policy and operational framework may take some months to be completed. Yet AHL urgently requires funding to meet essential regulatory requirements, in particular occupational health and safety issues, affecting the operations of some of its hostels.

It has been put to the Review that no further funding or new responsibilities should be approved until AHL has put its house in order and there is evidence that AHL management is taking action so that the Government can have confidence that there is value in further investments in the organisation. This view reflects the frustration that there has not been an

adequate response from AHL to the problems identified in the Ernst & Young report notwithstanding the passage of more than eighteen months since the completion of the report.

The Review understands that funding is being sought in this year's Budget process for priority refurbishments for AHL hostels. The Review suggests that in view of the foregoing concerns, such funding could be 'earmarked' in the 2010-11 Budget, with their release being subject to the Minister being satisfied that effective reform is under way within the organisation.

AHL Governance Issues

In 2003, the *Review of Corporate Governance and Statutory Authorities and Office Holders* (the Uhrig Review) was conducted by the government. AHL was included in this review. That review recommended that AHL become a Commonwealth authority under the CAC Act rather than its current status as a corporation.

When AHL was originally established as a company in 1973, the government financial frameworks at that time did not provide for a statutory authority to own its own assets¹⁷¹. Nor could a statutory authority buy properties for use as hostel accommodation as was one of AHL's key requirements. The introduction of the CAC Act in 1997 provides greater flexibility to statutory authorities to own and operate assets.

The Commonwealth Government funds AHL by covering the shortfall between tariffs paid and actual operating costs. As a result, AHL could be seen to be a company that essentially undertakes community service functions and does not generate profits. Therefore, being a company is not necessarily an appropriate legislative framework for AHL.

Because AHL was established as a company under Corporations Law, it does not have the enabling legislation to define its statutory purpose and functions. The enabling legislation to make AHL a statutory authority under the CAC Act would allow the clear articulation of the powers, roles and responsibilities of the Minister, the AHL Board and the AHL General Manager, in terms of the effective operation performance of AHL.

The Review suggests that the necessary steps be taken to convert AHL into a statutory authority under the CAC Act.

The General Manager and staff of AHL are covered by the *Public Service Act (PSA) 1999*. The General Manager of AHL is accountable to a Board of Directors who are not subject to the PSA. This presents a potential conflict of interest in that the General Manager is bound by the PSA, the AHL Constitution and the Board's direction.

It is considered employing company staff under the PSA creates an anomalous situation and limits the Board's power to act. Staff are accountable to the General Manager and bound by the PSA. They are not under the direct control of the Board. This arrangement creates a potential tension as the Board is accountable for the performance of the company but is not

¹⁷¹ Department of Families, Housing, Community Services and Indigenous Affairs, *Final Assessment of Aboriginal Hostels Limited*, FaHCSIA, Canberra, 2006.

responsible for its staff. This tension could be resolved by having AHL's staff directly employed by the company and no longer covered by the PSA.

Therefore, to improve the capability and responsiveness of AHL and to assist the organisation attract and retain good quality staff in an increasingly competitive environment, the Review proposes that steps be taken to cease PSA coverage of AHL staff, subject to appropriate grandfathering arrangements to cover the PSA entitlements of existing AHL staff.

RECOMMENDATION

- 46.** Enhance the capability of Aboriginal Hostels Limited (AHL) to better contribute to the *Closing the Gap* objectives by:
- 46.1.** clarifying the strategic directions for AHL to support the Government's policy directions as articulated in the *Closing the Gap* targets and making best use of the capabilities and assets available to it in support of those objectives. Desirably, the strategy should provide AHL with the flexibility to respond proactively to the opportunities presented by the Government's evolving policies and programs focusing on Indigenous mobility;
 - 46.2.** requiring the AHL Board to urgently address the weaknesses in the organisation's current management structure and operational systems that were identified in the 2008 review of the organisation by Ernst and Young;
 - 46.3.** recognising that AHL requires funding to meet essential regulatory requirements affecting the operations of some of its hostels, including addressing occupational health and safety issues. In the near term, should funding for this purpose be approved, it should be conditional on the Minister being satisfied that effective reform is under way within the organisation;
 - 46.4.** converting AHL from a corporation to a statutory authority under the *Commonwealth Authorities & Companies (CAC) Act 1997*; and
 - 46.5.** ceasing coverage of AHL's staff under the *Public Service Act 1999* (with the grandfathering of the current APS entitlements of existing staff).

Indigenous Mothers' Accommodation Fund (IMAF)

The proposal for an *Indigenous Mothers' Accommodation Fund* (IMAF) was announced in the 2008-09 Budget as part of the Australian Government's commitment to *Closing the Gap* on life expectancy between Indigenous and non-Indigenous Australians.

This initiative is allocating \$10 million through capital funding grants over the next three years, 2008-09 to 2010-11, for accommodation for Indigenous women from remote communities who need to travel to regional and urban centres to have their babies.

The IMAF responds to the critical shortage of culturally appropriate, safe and supported accommodation for expectant and new Indigenous mothers from remote areas. Improving the health of Indigenous mothers and babies is a top priority for the Australian Government.

The IMAF will contribute to this by giving Indigenous mothers and babies access to antenatal care, immunisation and maternal and child health services.

As well as providing new services, this measure will expand services at existing facilities. Indigenous expectant and new mothers can also stay at a range of affordable accommodation facilities operated by providers around Australia, including the Australian Government-owned company, AHL.

In 2009-10 IMAF will deliver an upgraded existing facility in Katherine, Northern Territory. Proposed delivery of a facility in Darwin is currently intended to be ready by August 2010. Construction has also commenced on a facility in Cairns to be completed during 2010.

It has been argued that the general medical and transient hostels operated or funded by Aboriginal Hostels Limited provide similar services, but are not designed for the specific welfare, safety and psychological needs of young mothers. For this reason, IMAF has been set up with the expectation that specialist service providers will be sought for the new facilities. However, the Review notes the success of AHL in providing culturally appropriate, safe and secure Indigenous specific hospital style accommodation to a wide range of Indigenous people over many years.

Therefore, the Review considers that AHL should be funded to look after the facilities being constructed under this program. The Review understands that ongoing recurrent costs are being negotiated with the operating bodies of each of the proposed facilities.

Infrastructure

Aerodrome Infrastructure in Remote Indigenous Communities

The Government provides targeted support for air services to remote area routes where they are not commercially viable. In particular, the Government has committed \$44.7 million over four years through the *Remote Air Services Subsidy Scheme* (RASS) and \$20 million over four years through the *Remote Aerodrome Safety Program* (RASP) for aerodromes servicing remote and isolated communities which are essential for the social and economic well being of the communities they serve.

In the 2009–10 Budget the Government provided the Department of Infrastructure, Transport, Regional Development and Local Government (DITRD LG) with \$3.0 million to begin the process of upgrading airstrips in remote parts of the country, serviced by the RASS, through the Remote Aviation Infrastructure Fund (RAIF). DITRD LG has included a proposal in their 2010-11 Portfolio Budget Submission for further funding for airstrips in remote Indigenous communities that require upgrades to meet 'regular public transport' standards. Funding is sought for the upgrading of 20 airstrips in 2010-11, with a further seven airstrips per annum from 2011-12 to 2013-14.

The *Regional Aerodrome Inspection Program* (\$400,000 per annum) provides safety inspection services and technical advice to 59 remote northern Australian Indigenous communities. These 59 aerodromes were nominated by ATSIC many years ago.

These four programs target remote aviation services and infrastructure. They have in the past been administered separately, with potential inefficiencies if the type of air service provided to a remote location does not match the standard of the aerodrome at that location. The Government has already acted to bring the programs together administratively. Integrating these programs will help ensure that support for remote air services and aerodromes is better coordinated and will provide greater flexibility in allocating funding, based on the greatest need. This will result in a single program which can allocate almost \$20 million of annual funding to where it is most needed.

This integration of the programs will not affect the current cooperative funding arrangements under the RASP, whereby state and local governments provide matching payments towards improvements at remote aerodromes. The two streams of support for air services and infrastructure will remain, but with greater flexibility to meet the complementary objectives of sustaining remote airport infrastructure and the services it supports.

The current RASS network and RASP can be inefficient in the number of locations that receive service and infrastructure support. Many subsidised air services and aerodromes are within driving distance of others and funds would be better and more fairly allocated by building up local hubs, with the potential for higher service frequencies and improved infrastructure.

A higher frequency of service to key locations would provide greater opportunities for local businesses and groups reliant on air links with metropolitan centres to expand their activities, which in turn would increase traffic volumes and viability for operators.

Such a hub and spoke strategy would align with other Australian Government decisions affecting regional and remote Australia such as the *National Partnership Agreement on Remote Service Delivery*.

The RASS currently subsidises flights to 240 remote communities, of which 75 are predominantly Indigenous. If RASS Indigenous locations could be better targeted, an increase in weekly services might be achievable within existing funding.

RASS assists in the delivery of services for several Commonwealth and state government programs, including:

- transporting patients, medical samples for testing and delivery of medicines;
- delivering education materials to remote schools and families undertaking distance education programs; and
- transporting professionals to provide services to remote communities.

Currently Commonwealth and state agencies work largely independently of each other in the delivery of these services. Some remote communities can receive several charter flights each week carrying officials from different agencies. In reviewing RASS arrangements, the Government will investigate the scope for better use to be made of RASS services by both Commonwealth and state government officials and where RASS services are not available, for more joint use of charter flights.

According to the *National Aviation Policy White Paper*, released by the Australian Government in December 2009¹⁷², the Government plans to consult widely with local communities and state and local governments in setting up the administrative arrangements for this proposal.

The Review endorses the consolidation of the four remote aviation services and infrastructure programs covered by DITRD LG. In doing so, the Review considers that the Regional Aerodrome Inspection program would be more effective if the aerodromes it covers were to be selected by DITRD LG based on current circumstances rather than those applying a number of years ago.

The Review also notes that responsibility for these remote aerodromes rests with local government authorities, and most of these authorities would argue that they have insufficient funds to maintain some, let alone all of the aerodromes within their responsibility. In the circumstances, the Review is concerned that the Commonwealth maintain a comprehensive risk management strategy to guide its inspection and maintenance programs.

RECOMMENDATION

- 47.** Endorse the consolidation of the *Remote Air Services Subsidy Scheme*, the *Remote Aerodrome Inspection Program*, the *Remote Aerodrome Safety Program* and the *Remote Aviation Infrastructure Fund*, noting that this should lead to better coordination of remote air services and support for remote aerodromes and greater flexibility in allocating funding in line with need.

Provision of infrastructure, municipal services and essential services to Indigenous communities

An essential component of providing housing in remote Indigenous communities is the level and standard of municipal and essential services and related infrastructure. To contribute to improving the life expectancy and health of Indigenous Australians, it was agreed by COAG that Indigenous people living in remote communities should be provided with the same access and standard of municipal and essential services as non Indigenous Australians living in similar sized communities.

Currently, the Commonwealth Government provides funding to a number of Indigenous and local government organisations to provide municipal and essential services to targeted remote communities. In 2009-10 this funding amounted to \$53.522 million.

Constitutionally, state and territory governments are required to provide residents with municipal and essential services. However, since around 1960, the Commonwealth has funded housing and related infrastructure for essential services such as water, power,

¹⁷² Department of Infrastructure, Transport, Regional Development and Local Government, *Aviation White Paper Flight Path to the Future*, DITRD LG, Canberra, 2009.

sewerage and transport access, and some municipal services on former Aboriginal reserves, missions and traditional lands.

Over the many years that the Commonwealth has been involved in the funding of municipal and essential services for Indigenous communities, a number of different arrangements have developed. These differing arrangements reflect historical factors, the particular needs of certain Indigenous communities at different times, the changing approach of state and local governments to the funding of services to Indigenous communities and the changing viability of Indigenous community organisations.

As a result, the current arrangements for the delivery of these services across Indigenous communities in Australia are complex and inconsistent. It has become increasingly evident that these current arrangements are not effective and the combination of State and Commonwealth funding for these services has led to confusion around the standards of service delivery, complex administration and poor outcomes and accountability.

The Commonwealth provided municipal and essential services vary from community to community and from state to state. There is no consistent and objective criteria for funding, with some Indigenous communities getting no Commonwealth assistance while others received significant ongoing recurrent and capital support. In some communities the Commonwealth has sole funding responsibilities, while in others both the Commonwealth and State fund municipal and essential services.

Further, there is inconsistency in the standard of service delivery provided across communities with some communities receiving funding that equates to lower standards of service than that provided to non-Indigenous Australians living in communities of similar size and location. These current issues arrangements create ambiguity for Indigenous communities concerning who is responsible for the delivery of the services within their community.

Reform is needed in the delivery of municipal and essential services and state, territory and local governments should be providing these services. Ensuring states and territories are wholly responsible for the delivery of these services will mean that all Australian communities are treated similarly and are connected to local government services. This will assist the provision of a similar standard in services and should mean that all Indigenous communities would receive the same levels of municipal and essential services as all other Australian communities.

To effect this reform, the Commonwealth Government needs to transfer the funding and service delivery responsibility to States and the Territories. However, to date State and Northern Territory governments have been unwilling to accept their constitutional responsibility.

Yet COAG recognised that the Commonwealth should not need to continue to be involved in the provision of municipal and essential services to Indigenous communities. The responsibility for this function clearly lies with states, territory and local governments. As a result, in the *National Partnership Agreement on Remote Indigenous Housing*, it was agreed that the Commonwealth, the States and the Northern Territory governments would work

together on a proposal for clearer roles and responsibilities and funding with respect to municipal services and ongoing maintenance of infrastructure and essential services in remote areas. This report would include a timeframe for implementation of new arrangements and for these arrangements to be in place from 1 July 2012¹⁷³.

Under the National Partnership Agreement, it was agreed that a national municipal and essential services audit would be undertaken to assess the level of outstanding need for these services in remote Indigenous communities. The audit would assist in informing roles and responsibilities of each of the parties to the National Partnership Agreement for the delivery of municipal and essential services into the future.

In the initial stages of the negotiation of the *National Partnership Agreement on Remote Indigenous Housing*, the Commonwealth sought agreement for a transition payment to States and the Northern Territory for assuming funding and service delivery responsibility for municipal and essential services. Wording to this effect was to be included in the National Partnership Agreement.

By the time negotiations concluded, the States and the Northern Territory indicated their unwillingness to accept this responsibility due to the lack of costings for the funding requirements for the ongoing maintenance of infrastructure and essential services. They rejected the reform payment offered by the Commonwealth and indicated a strong reluctance to sign up to a National Partnership Agreement Remote Indigenous Infrastructure. Further negotiations resulted in the States and the Northern Territory agreeing to a national municipal and essential services audit, as outlined in the National Partnership Agreement. The audit will assess need and clarify funding and service responsibility with new arrangements to be in place no later than 1 July 2012.

The Review understands that at the Housing Ministers Council meeting on 29 March 2009, Ministers agreed that the transfer of responsibility would occur progressively prior to mid-2012 depending on jurisdictions agreeing on acceptable funding.

FaHCSIA has advised the Review that the scope of the initial municipal and essential services audit will be contained to the 29 communities identified under the *National Partnership Agreement on Remote Service Delivery* and a representative sample of communities where the Commonwealth currently funds municipal and essential services. This amounts to an audit of 72 Indigenous communities across Australia.

The audit, which is expected to be completed by March 2010, will also collect broader infrastructure data which may be used as an evidence base for the possible development of a National Partnership Agreement on Remote Indigenous Infrastructure. This will ensure that the information gathered on infrastructure and municipal and essential services will be consistent across the RSD communities. The scope of the audit includes ten priority infrastructure types: staff accommodation, power supply, water supply, sewerage and waste water, roads, sea and air infrastructure, community centres and facilities, telecommunications, solid waste and lighting.

¹⁷³ Council of Australian Governments, *National Partnership Agreement on Remote Indigenous Housing*, 2008, pp. 6-7.

Once the audit has developed the base level standards and has assessed the current level of services, the gaps in service and infrastructure against base level standards will be analysed. These gaps in service and infrastructure will then be costed to ascertain the level of investment required to bring services up to standard. The States and the Northern Territory have agreed to provide the Commonwealth with relevant information, including existing audits on the level of municipal and essential services in each of the sample communities within the audit scope. This is essential to delivering a full and comprehensive audit.

Little progress has been made on the negotiation of a funding formulation that might underpin a National Partnership Agreement on Remote Indigenous Infrastructure. Initial meetings have been held with the States and the Northern Territory to scope the development of the business case. This business case will cover the roles and responsibilities of the Commonwealth and the States and the Northern Territory and funding options, including public-private partnerships. At this stage, it is envisaged that the business case would be completed by September 2010 for COAG consideration.

Issues in transferring responsibility for municipal and essential services to the States and Northern Territory

Land tenure and rateable land

One of the issues raised by state and local governments in arguing against the transfer of responsibility from the Commonwealth has been the complexity of land tenure issues. Land tenure issues will need to be addressed in any agreement to facilitate local government access to provide services and also for the imposition of rates.

Land tenure reform can contribute to the reform of municipal and essential service provision by clarifying rights and responsibilities that have been historically unclear and by giving governments the authority to permit access to the leased land for the purpose of service provision.

Land tenure reform will also provide local governments with the ability to collect rates. This is important as it provides a revenue basis for councils to provide services. In the past, local government have raised the current non-rateable nature of Indigenous land as a barrier to their assuming responsibility for services. Possible solutions include local Indigenous communities agreeing to individual rating of houses within that community or to the community as a whole being rated and then the local Indigenous community determining the allocation of the rated amount between community families.

The Review suggests that FaHCSIA and DITRD LG should determine a strategy for the Commonwealth to facilitate the introduction of local rates and municipal service charges to enable local government councils covering rural and remote Indigenous communities to take on the same responsibilities as their counterparts providing municipal services to other Australian communities.

Community development funding for Indigenous organisations and community service providers

At present, a significant proportion of municipal and essential services funding provided by the Commonwealth is used by Indigenous organisations to provide community governance

and capacity building activities. The viability of these organisations can be reliant on this funding and any transfer of funding between the Commonwealth and the States could impact on the viability of these organisations.

Transferring the responsibility for municipal and essential services to States and the Northern Territory may mean that some communities will no longer get funding for community governance and capacity building activities where States do not consider that this funding should be used for this purpose. In some cases, this could mean that the Indigenous community organisations would not be able to continue to operate.

Given the importance of improving governance and leadership in Indigenous communities, the Commonwealth should include the resolution of this issue in its negotiations with the States and the Northern Territory.

Outstations and homelands

The Commonwealth has been historically responsible for providing municipal and essential services funding for outstations in the Northern Territory and targeted outstations in Queensland, Western Australia and South Australia.

In Queensland, Western Australia and South Australia, the Commonwealth provides direct funding to community organisations to deliver municipal and essential services in outstations. In the Northern Territory, the Commonwealth provides funding to the Northern Territory Government who is then responsible for the service delivery to homelands and outstations.

The Review understands that FaHCSIA is currently developing an overarching policy covering the use of Commonwealth funds for outstations and homelands.

The Review considers that any policy for future investment in the provision of municipal, essential and infrastructure services to outstations and homelands should align with the *COAG National Investment Principles in Remote Locations*¹⁷⁴, in particular:

priority for enhanced infrastructure support and service provision should be to larger and more economically sustainable communities where secure land tenure exists, allowing for services outreach to and access by smaller surrounding communities, including-

(i) recognising Indigenous peoples' cultural connections to homelands (whether on a visiting or permanent basis) but avoiding expectations of major investment in service provision where there are few economic or educational opportunities; and

(ii) facilitating voluntary mobility by individuals and families to areas where better education and job opportunities exist, with higher standards of services.

¹⁷⁴ Council of Australian Governments, *National Investment Principles in Remote Locations*, Schedule E to the *National Indigenous Reform Agreement*, 2008.

For future investment in outstations and homelands, the Review supports the FaHCSIA position that the provision of facilities and the delivery of services be devolved to the States and the Northern Territory as part of the COAG National Partnerships processes. Any future investments, including in housing and infrastructure, should then be governed by the same criteria as for all other smaller remote Indigenous communities.

Financial Assistance Grants

The Australian Government provides funding to all local governments through the *Financial Assistance Grants* administered by DITRDLG. These grants have two components:

- a general purpose component which is distributed between the states and territories according to population (i.e. on a per capita basis); and
- an identified local road component which is distributed between the states and territories according to fixed historical shares.

State and Territory governments distribute the funds based on individual formulas. Local government grant commissions have been established in each state and the Northern Territory to recommend the distribution of the grants to local government bodies. The distribution of grants is in accordance with the *Local Government (Financial Assistance) Act 1995* and with the *National Principles* formulated under that Act. One of these principles relates specifically to Indigenous people and states that '*financial assistance should be allocated to councils in a way, which recognises the needs of Aboriginal peoples and Torres Strait Islanders within their boundaries*'¹⁷⁵

Local governments have complete discretion as to how funds are expended and as the national allocation of the general purpose component of the grant is divided amongst the states on a per capita basis, jurisdictions with large urban centres receive the majority of funding. The Northern Territory, although comprising one sixth of the land mass of Australia, receives less in local government financial assistance than is notionally allocated for the population of Geelong.

It is not within the scope of this Review to consider reforms to the way funds provided through *Financial Assistance Grants* are allocated between States and Territories and between local governments. Nevertheless, the Review is aware that one of the reasons why the Commonwealth, through FaHCSIA, has become involved in the funding and delivery of municipal and essential services is due to the per capita allocation methodology that lies behind the allocation of funding for the *Financial Assistance Grants*.

If this issue could be addressed so that higher per capita funding could be provided to local government organisations which cover large remote areas of Australia, this would increase the negotiating position of the Commonwealth in arguing that the States and Territories should accept their constitutional responsibilities for the provision of municipal and essential services to all Indigenous communities across Australia.

¹⁷⁵ Department of Infrastructure, Transport, Regional Development and Local Government, *National Principles for the Allocation of Grants under the Local Government (Financial Assistance) Act 1995*, DITRDLG, Canberra, 2009, viewed 29 January 2010, <http://www.infrastructure.gov.au/local/assistance/doc/National_Principles260809.doc>.

Other Commonwealth funded municipal and infrastructure programs

As noted earlier in this chapter, in the *National Partnership Agreement on Remote Indigenous Housing*, it was agreed that the Commonwealth, the States and the Northern Territory governments would work to clarify roles and responsibilities and funding for municipal services and infrastructure and essential services in remote areas. This report would include a timeframe for implementation of new arrangements and for these arrangements to be in place from 1 July 2012

There are two programs which FaHCSIA is still funding where the Review proposes that future funding should be reconsidered in the light of this COAG endorsed commitment to put in place new arrangements from mid-2012. However, in doing so, the Review recognises that there is a risk that when these programs cease, the States and Territories won't take on their full responsibilities leading to more gaps in services in remote Australia. Therefore, the transition strategy for the following two programs will require strong engagement between the Australian Government and relevant jurisdictions in line with the planned transition of roles and responsibilities and funding for municipal services and infrastructure and essential services in remote areas.

Animal Management in Rural and Remote Indigenous Communities

Animal Management in Rural and Remote Indigenous Communities (AMRRIC) is a not-for-profit organisation that provides services to address public and environmental health issues primarily in remote Indigenous communities concerning animals. Its activities focus on the delivery of veterinary services to remote Indigenous communities, developing education programs and working with communities on animal management issues.

FaHCSIA is providing \$188,000 in 2009-10 towards AMRRIC which is currently focused on dog health and education programs for Indigenous communities.

Animal management in communities is the responsibility of the states and territories and, therefore, the Review proposes that the Commonwealth cease funding AMRRIC from mid-2012.

Renewable Remote Power Generation (Bushlight) Program

The Centre for Appropriate Technologies (CAT) is a national Indigenous science and technology organisation funded by FaHCSIA and DEWHA to deliver a range of services to Indigenous communities. Through its *Renewable Remote Power Generation (Bushlight) Program*, renewable (solar) energy systems in remote Indigenous communities are installed, repaired and maintained to increase the access of small remote Indigenous communities to energy sources which are affordable, consistent and reliable. To date, Bushlight has installed over 120 systems in more than 100 remote Indigenous communities.

In 2009-10, Commonwealth funding for these three programs amounts to \$6.825 million from FaHCSIA and \$3.6 million from DEWHA with the current contract with CAT finishing on 30 June 2011.¹⁷⁶

Responsibility to municipal and essential services, including utility and energy infrastructure for Indigenous communities, rest with the States and Territories. Therefore, the Review proposes that the Commonwealth cease funding the Centre for Appropriate Technologies from mid-2012.

Provision of infrastructure in remote communities

There is a serious deficiency in available infrastructure in remote regions. Departments and agencies across all levels of government are reporting that there is an inadequate supply of social infrastructure to support additional health, child care, education, policing and community activities. Poor roads and inadequate telecommunications services are impeding people from accessing services, education and training facilities and economic opportunities.

The lack of infrastructure is a key risk to the success of the COAG *Closing the Gap* strategy. During the negotiations between the Commonwealth and the States that led to the COAG agreement on the *Closing the Gap* strategy, it was agreed that a *National Partnership Agreement on Remote Infrastructure* should be developed to deal with the shortfalls.

Responsibility for funding most of this infrastructure lies with the States and the Northern Territory. However, the States and Northern Territory have argued that the gap is far too large to them to fund alone.

The achievement of the *Closing the Gap* strategy is likely to be compromised without an answer being found to the issue of infrastructure provision in remote areas. One option that could be considered is whether it will be feasible to redirect mainstream infrastructure funding to remote areas. In this regard, the Review notes that the legislated provisions of the *Building Australia Fund* do not allow this fund to be used in support of remote infrastructure projects.

¹⁷⁶ DEWHA's 22 February revised 2009-10 estimate for the Renewable Remote Power Generation Program is \$1.1 million.

RECOMMENDATIONS

- 48.** In respect of municipal and essential services and related infrastructure needs in remote communities:
- 48.1.** note that the legislated provisions of the *Building Australia Fund* do not allow this fund to be used in support of remote infrastructure projects;
 - 48.2.** note that FaHCSIA will be preparing a Cabinet Submission considering strategies for addressing municipal and essential services and infrastructure requirements of Indigenous communities (making use of current audits of 72 communities to be completed by March 2010). The Submission will address the transfer of responsibility for the *Municipal and Essential Services* program (with consideration of funding options) from the Commonwealth to the States and Territories through a transition program commencing from mid-2012;
 - 48.3.** FaHCSIA and DITRDG should identify opportunities where the Commonwealth can press the States and Territories to more actively utilise local rates and municipal service charges. This would help local government councils covering rural and remote Indigenous communities to provide a more adequate level of municipal services; and
 - 48.4.** in line with the planned transition of the *Municipal and Essential Services* program from the Commonwealth to the States from mid-2012, cease funding the *Animal Management in Rural and Remote Indigenous Communities* program and *Renewable Remote Power Generation (Bushlight) Program* from that date.
- 49.** Note the budgetary pressures arising from the significant costs associated with provision of infrastructure and housing in remote communities.

CHAPTER 5.7: FAMILIES, COMMUNITIES AND CHILD PROTECTION

Introduction

Families, communities and child protection represent key components of the COAG *Closing the Gap* strategy. While this group of programs are not directly represented as a *Closing the Gap* specified target, it is the subject of two of the seven nominated building blocks – namely Healthy Homes and Safe Communities. It is an area that many commentators consider to be in crisis due to family breakdown and community dysfunction.

In many cases, the symptoms of family breakdown and community dysfunction become evident through their impact on children – through violence against and neglect of children; through children's poor education and health outcomes and through children living in overcrowded and unsafe housing. The section of this report covering early childhood development makes it clear that the Review considers addressing early childhood needs as a vital element in achieving real change in the outlook for Indigenous Australians. The Review considers that putting in place strategies that achieve improvements in outcomes for young Indigenous people should be used to guide policy priorities and assist in gauging the overall success of the *Closing the Gap* strategy.

The families, communities and child protection area is of particular importance in government responses to the needs of remote Indigenous communities, as evidenced by the Northern Territory Emergency Response and subsequent actions by the Commonwealth Government. For Indigenous children to lead successful and fulfilling lives, it is important that all governments work closely with Indigenous communities so that children can live and grow in a supportive family environment and in safe communities.

The families, communities and child protection area represents a particularly important policy and administrative challenge for governments. Many of the programs in this area are delivered through mainstream arrangements. While program responsibility in this area primarily lies with State and Territory governments, the Commonwealth has become increasingly involved due to the importance of this sector to achieving the *Closing the Gap* targets. As has been pointed out elsewhere in this report, while Indigenous specific programs may sometimes play a useful role at the margin, they can rarely remedy serious deficiencies in mainstream services and should not be relied upon to do so.

Families, communities and child protection programs represent a balance between dealing with law enforcement and financial aspects of family breakdown and community dysfunction as well as the more constructive efforts by government to work with Indigenous communities in positively addressing family violence and community safety.

In these circumstances, it is vital that governments work together effectively in addressing the complex and confronting issues facing many Indigenous communities and families. It is also essential that Commonwealth agencies work together in a coordinated way in delivering families, communities and child protection programs.

RECOMMENDATION

50. The Commonwealth's programs for families, communities and child protection should be better coordinated and more flexibly designed and managed to respond to and meet local needs.

Family support

Family Support Program

On 16 February 2009, the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, announced the establishment of the *Family Support Program* (FSP).

The FSP is a mainstream Commonwealth funded program that is being designed to work with and support families and their children, particularly those that are vulnerable and at risk, to enable them to better manage life's transitions and contribute to building stronger, more resilient communities.

When fully implemented by July 2011, the FSP is intended to be a national program which will better align and link a range of services and involve a strong collaborative approach.

The FSP¹⁷⁷ brings together a number of existing family, children and parenting services.

These existing services cover a range of services which are managed by Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA):

- *Family Relationship Services* (including the Attorney-General Department's *Family Law Services*);
- *Kids In Focus - the Family Drug Support Program* (formerly the *National Illicit Drugs: Strengthening Families Program*);
- *Communities for Children Initiative*;
- *Invest to Grow*;
- *Child Care Links*;
- *Responding Early Assisting Children*;
- *Indigenous Children Services*;
- *Playgroups*; and
- *Indigenous Parenting Support Services*.

The departmental discussion paper developed to guide consultations on how the FSP would operate in the future, establishes the FSP with three core service streams:

- *Community and Family Partnerships Stream*, (FaHCSIA responsibility) which will provide intensive and coordinated support targeted at significantly disadvantaged communities and families and especially vulnerable and at risk families and children;

¹⁷⁷ Department of Families, Housing, Community Services and Indigenous Affairs, *Developing a Family Support Program*, Discussion Paper, FaHCSIA, Canberra, 2009.

- *Family and Parenting Services Stream*, (FaHCSIA responsibility) which will provide early intervention and prevention services to families to build and strengthen relationships, develop skills and support parents and children; and
- *Family Law Services Stream*, (Attorney-General's Department (AGD) responsibility) which will assist families to manage the process and impacts of separation in the best interests of children.

The FSP would enable services to better focus on the needs of families and children, particularly the vulnerable and at risk by:

- linking services more effectively;
- facilitating greater flexibility and responsiveness of services, and
- moving towards a 'no wrong door' seamless approach, so clients requiring FSP services can enter those services through any FSP provider.

Families accessing services will be able to more easily enter and move between FSP service interventions, reducing the silos that were evident in the previous structure.

FaHCSIA is responsible for the implementation and ongoing management of the FSP.

The two year implementation timeframe allows FaHCSIA, AGD and the community sector to work together to develop and implement the program.

The FSP will have a strong collaborative approach with:

- government and the community sector working together to support children and families;
- increased opportunities to work with state, territory and local governments and the legal system; and
- streamlined program management to reduce red tape burden on service providers.

It is envisaged that once the FSP is fully implemented families and children will receive tailored and coordinated support within FSP services and across the broader community service system (Commonwealth, State and Territory or Local Government). People accessing FSP services 'will only need to tell their story once' through the appropriate sharing of information between providers and families, with relevant consents in place. FSP service providers will have processes in place to link clients to other services, including legal services and the courts, and to follow up with local community services and other government provided services at the State and Territory or Local Government level.

FSP services available in a service region will be based on the identified needs of the area. In areas identified as disadvantaged, including those areas with significant Indigenous populations, specific services will work actively with the community to overcome locational disadvantage. Service providers will also be expected to actively work to reach those clients who typically don't access services and/or who experience barriers to participation.

The establishment of the FSP is strongly supported by the Review. As currently envisaged, the FSP will provide service delivery organisations with access to a suite of existing family, children and parenting services that share a common focus on supporting Australian families, parents and children. Service providers will be able to choose the most appropriate

service interventions to best meet the identified needs of the communities and families with whom they are dealing. While service provider delivery strategies will need to be agreed with FaHCSIA program managers to make sure they fit within the FSP guidelines, it is envisaged that service providers will be encouraged to work with their community and flexibly respond to local needs.

The Review understands that a decision has yet to be made as to whether the current Indigenous specific programs, that is the *Indigenous Children Program* and *Indigenous Parenting Support Services*, will be subsumed within the mainstream elements of the FSP or continue as an identified Indigenous stream within the FSP framework.

Either way, the Review understands that the intention would be that the FSP outcomes and performance indicators would include specific objectives for Indigenous families and that FSP providers would be expected to deliver services to Indigenous families based on need rather than population – similar to the approach to be taken with other high need groups in the Australian community. As the FSP will improve service delivery to vulnerable families and children, all Indigenous families and communities will benefit from the program whether they are located in urban, rural or remote communities.

The Review endorses FaHCSIA's proposed consolidation of the existing range of family, children and parenting services within the new mainstream FSP.

The Review notes that FaHCSIA is giving consideration to the FSP operating through three (revised) streams of activity:

- Family and children's services;
- Family law; and
- Specialised services (such as illicit drugs programs, humanitarian, remote Australia);

and two streams of program support:

- Capacity building; and
- Performance and evaluation.

The Review notes that these revised streams of activity and program support, including the possibility that Indigenous services might be included as a separate stream within the FSP, are subject to continuing consideration.

The Review considers that the opportunity should be taken to subsume the Indigenous programs within the proposed activity and program support streams noting that this would not preclude Indigenous specific services in some priority locations. Such an approach is consistent with the objective of placing Indigenous programs in the context of mainstream program and service delivery. Subject to these decisions, it is envisaged that the new framework will be put in place by July 2011.

RECOMMENDATIONS

- 51.** Endorse FaHCSIA's proposed consolidation of its mainstream Family Support Program (FSP) noting that once fully implemented, it is envisaged that the FSP will provide the following streams of support:
 - 51.1.** family and children's services;
 - 51.2.** family law;
 - 51.3.** specialised services (such as illicit drugs programs, humanitarian, remote Australia);
 - 51.4.** capacity building; and
 - 51.5.** performance and evaluation.
- 52.** Propose that the current Indigenous-specific services be subsumed within the proposed FSP activity and program support streams while allowing that Indigenous-specific delivery arrangements may be warranted in priority locations.

Indigenous specific family support programs

Pending the full implementation of the FSP, there are two Indigenous specific programs managed by FaHCSIA providing family support related services to Indigenous Australians.

Indigenous Children Program (ICP)

The ICP was formed in 2006 by a merger of previously funded *Aboriginal Islander Child Care Agencies* and *Indigenous Parent and Family Wellbeing* programs.

The ICP aims to strengthen Indigenous children, families and communities and build their resilience and support networks. This program supports the wellbeing of children by:

- improving knowledge, skills and capacity to enhance family wellbeing;
- building resilience and protective factors for children;
- developing positive and strong bonds between children and parents/caregivers and the community; and
- improving parents and children's access to services that can support their learning and growth in ways that support and build on their culture.

The ICP involves improving access for Indigenous families to other services that can support the learning and growth of children and their family members in a culturally appropriate manner. The program is also building the capacity of Indigenous organisations to more effectively deliver services to children and families.

Indigenous Parenting Support Services (IPSS)

The IPSS aims to strengthen parenting skills and support the development, learning and well being of Indigenous children. These services are being integrated into existing platforms such as child care centres, schools, Indigenous health centres and other related services to provide Indigenous families with access to enhanced parenting support.

IPSS is designed to increase the number of Indigenous families and children that have access to parent-child services and aims to target support to families with children aged up to

twelve years of age with a particular focus on families with children aged 0-2 years. The services will provide referrals to other services as required. IPSS will help Indigenous parents overcome barriers to good family relationships and support them through their children's transitions to child care, pre-school and primary school.

FaHCSIA has identified a number of key underpinning principles for the delivery of IPSS. Service providers should:

- take a pro-active approach to supporting families to address underlying issues - such as social, cultural, personal, historical, financial and health factors - that can present barriers to effective parenting;
- put in place a delivery model that is sufficiently broad and flexible to be able to address issues of particular concern in a way that they believe is most appropriate; and
- reflect a broad concept of parenting/caring that includes extended families and kinship ties.

The future role of these two Indigenous specific programs, along with the role of the broader suite of mainstream family support program initiatives in supporting Indigenous families, are discussed in more detail in the Review Report chapter dealing with Early Childhood Development.

National plans to reduce family violence and to protect children

National Plan to Reduce Violence against Women and their Children

In March 2009, National Council to Reduce Violence against Women and their Children, which had been set up by the Government in May 2008, presented its report, *'Time for Action The National Council's Plan for Australia to Reduce Violence against Women and their Children, 2009-2021'*. The Council's report argued 'for a sustained new level of investment in primary prevention and the justice system to create respectful relationships, fair outcomes, and safe communities. This is to be complemented by more effectively planned, targeted and evaluated approaches to services that respond to victims and their families in all their diversity, holding perpetrators accountable for their violence, and working to stop men's violence against women and their children.'¹⁷⁸

While the Council's report covers the issues of and responses to violence against women and children in all sectors of Australian society, the report's recommendations and findings have particular relevance to Indigenous women and children given the significant levels of family breakdown and community dysfunction evident in many Indigenous communities.

178 National Council to Reduce Violence against Women and their Children, *'Time for Action: The National Council's Plan for Australia to Reduce Violence against Women and their Children, 2009-2021 – A Snapshot'*, March 2009, pg.2.

In its April 2009 response to the Council's Plan¹⁷⁹, the Australian Government stated that it was committed to providing national leadership in reducing violence. The Government supported the direction of the Time for Action report and the need for action.

In announcing a series of funded initiatives in response to the Council's report, the Government noted that many of the Council's recommendations required joint effort by the Commonwealth, State and Territory Governments and the community more broadly. On this basis, the Government indicated that it would take the Plan to COAG. To facilitate this, the Government advised that it would work with the State and Territory Governments to develop the National Plan to Reduce Violence against Women so that the Plan would go to COAG for consideration and public release during 2010.

National Framework for Protecting Australia's Children

The *National Framework for Protecting Australia's Children (2009-2020)*¹⁸⁰ is a comprehensive national approach to protecting children. The Australian Government has led the development of the National Framework, working closely with States and Territories and the community sector.

The National Framework recognises that the best way to protect children is by preventing abuse and neglect. It proposes that Australia needs to move from seeing child protection as a response to abuse and neglect to a focus on promoting the safety and wellbeing of all children.

The National Framework is seen as a new approach which is based on the understanding that the protection of children is not simply a matter for State and Territory child protection services. As such, the National Framework recognises that protecting children is a shared responsibility - within families and across communities, professions, services and government.

The National Framework provides a path for governments and the broader community to improve the way the problem of child abuse and neglect is dealt with. The actions and strategies under the National Framework aim to achieve the goal that Australia's children and young people can feel and are safe and well. It also designed with the intention of seeing a substantial and sustained reduction in child abuse and neglect in Australia over time.

The six outcomes supporting the National Framework include an Indigenous specific outcome: Indigenous children are supported and safe in their families and communities. COAG endorsed the *National Framework for Protecting Australia's Children* on 30 April 2009. The Community and Disability Services Ministers' Conference is responsible for the implementation of the national framework.

¹⁷⁹ Australian Government, *'The National Plan to Reduce Violence against Women: Immediate Government Actions'* April 2009

¹⁸⁰ Commonwealth of Australia, 2009, *'Protecting Children is Everyone's Business; National Framework for Protecting Australia's Children 2009-2020'*.

At the conclusion of the first three year period in 2012, it is intended that the Community and Disability Services Ministers' Conference will complete an evaluation of the National Framework¹⁸¹. Central to this evaluation will be the collection and analysis of data against the outputs and performance indicators identified in the implementation plan, as well as the progress and performance against each of the attached State and Territory action items. The evaluation process will also draw from data collected and analysed in associated portfolio areas, such as early childhood, housing and health.

Indigenous family violence programs

Family violence is one of the most destructive issues facing Indigenous communities. This has been acknowledged by all levels of government in recent years, with a number of significant inquiries and initiatives undertaken at the Federal, State and Territory level to address its impact.

Family violence involves any use of force, be it physical or non-physical, which is aimed at controlling another family or community member and which undermines that person's well-being. It can be directed towards an individual, family, community or particular group.

Addressing family violence is a shared responsibility between all levels of government with prime responsibility resting with health and community service agencies in Commonwealth, State and Territory governments.

Currently, there are three Indigenous specific family violence programs run by FaHCSIA and AGD:

Family Violence Regional Activities Program (FVRAP)

FVRAP is delivered by FaHCSIA and aims to provide practical and flexible support for grassroots, locally delivered projects that have been identified by Indigenous communities as a local priority to address family violence, sexual assault and child abuse.

FVRAP seeks to assist community-based organisations to achieve the following outcomes:

- reduce and prevent family violence, sexual assault and child abuse within Indigenous communities contributing to safer communities;
- raise awareness of family violence issues in Indigenous communities and contribute to positive changes in community attitudes and behaviour regarding family violence;
- increase access to services by providing culturally appropriate support services to those who are vulnerable to family violence, sexual assault, and child abuse;
- increase skills of community members in understanding, preventing and responding appropriately to family violence and breaking the cycle of violence; and
- increase the rate of reporting of incidences of family violence, sexual assault and child abuse in Indigenous communities.

Projects are not limited to one intervention but may take a holistic approach. For example, projects can provide education and awareness workshops, counselling for victims and providing programs for perpetrators.

¹⁸¹ *Ibid*, pg. 36.

FaHCSIA is about to commence a tender process (which will be run outside the 'e-sub' system) seeking proposals for funding. It is planned to offer funding to services in all States other than Tasmania and the Northern Territory. Until now, FVRAP has been providing funding on a 12 month funding cycle. However, for this tender process, FaHCSIA is looking at multi-year funding proposals.

Family Violence Partnership Program (FVPP)

The FVPP is managed by FaHCSIA with funding being provided to the states and territories to deliver projects on behalf of the Commonwealth Government.

Originally announced as a four year lapsing program, the Government recently agreed to make the FVPP an ongoing program, with an allocation of \$10.3 million per annum.

Projects funded under FVPP work across the spectrum providing education and awareness of family violence through services to victims as well as to perpetrators. These services cover the establishment of safe houses, night patrols, counselling services, support workers, perpetrator programs and education programs.

FVPP aims to:

- leverage greater action and commitment on the part of states and territories;
- build on the Australian Government's commitment to tackling family violence in Indigenous communities;
- develop local solutions to issues that contribute to violence, such as alcohol and drug use;
- address causal factors to family violence, particularly socio-economic and participatory issues, to effect sustainable change; and
- provide safe places and support for victims of family violence and child abuse.

There has been increasing concern at the Commonwealth level with the capacity and commitment of some States and Territories towards delivering services under the FVPP. In a number of cases, funding provided to States and Territories has not been fully expended leading to funds being rolled over to the following financial year. States and Territories have tended to offer 'in kind' support rather than new funding, limiting the leverage gained by the Commonwealth's investment in state-based projects. Also, the Commonwealth has a strong preference for funding one-off projects which are innovative rather than committing to recurrent funding. Some states and territories have not been supportive of this strategy.

As a result, the FVPP is being reviewed by FaHCSIA to look at the feasibility of combining the funding available under this program with FVRAP and for the Commonwealth to focus on providing direct funding to communities and service organisations. The Review supports this change in approach.

Family Violence Prevention Legal Services Program

The FVPLS program was established in 1998 and is delivered by AGD to provide culturally sensitive assistance to Indigenous victims and survivors of family violence and sexual assault through the provision of legal assistance, court support, casework and related counselling.

The program funds 19 Indigenous community based organisations to provide legal services

to 31 regional and remote areas around Australia that have been identified as having a high level of legal needs for victims of family violence.

The Indigenous community based organisations form an important element of and referral portal for the Australian Government's legal assistance network (which includes mainstream legal aid, Indigenous legal aid and community legal centres).

The organisations also provide information and referral support to appropriate related services (such as health, housing and Centrelink). Funding to each service provider covers five core positions – a CEO/coordinator, two full-time solicitors, a sexual assault worker/counsellor and an administrative officer. Some providers receive additional funding to provide community legal education initiatives and/or for early intervention and prevention focused initiatives that promote changes in behaviour and attitudes to family violence in individuals and communities.

Improving Indigenous community safety

It was clear from discussions that the Review has had with officers from FaHCSIA and AGD that the Commonwealth's suite of Indigenous specific family violence programs would benefit from a closer working relationship between the two departments. The Commonwealth needs to be more strategic in using the funds available under the three family violence programs to maximise outcomes and to help advance the *COAG Safe Communities* strategy.

The Review proposes that AGD and FaHCSIA should work together to develop an agreed strategy on the effective allocation of funds from all three programs to maximise the benefits for Indigenous communities dealing with family violence and help advance the Government's safe communities agenda.

Improving family and community safety requires a combination of responses covering prevention and protection. These responses should cover: law and justice responses (including accessible and effective policing and an accessible justice system); services for victim support (including counselling); and community based responses (such as safe houses, changing attitudes). In addition, addressing related factors, particularly high risk alcohol consumption, will be vital.

Funding realised from efficiencies in existing programs could be used to leverage State and Territory improvements in Indigenous community safety, with a particular emphasis on the 29 priority remote service delivery communities but also extending to priority regional and metropolitan areas.

States and Territories have been participating in discussions, but the Review has been advised that it is unlikely that they will make specific commitments without a Commonwealth contribution (possibly through a National Partnership Agreement).

Any funding made available could also be used to support Indigenous priority areas identified in the *National Plan to Reduce Violence against Women and Children* which is currently being negotiating with the States and Territories through COAG.

In an effort to achieve more effective policing in Indigenous communities, the Commonwealth could fund the States and Territories to assist them to implement a community engagement policing approach in identified remote, urban and regional locations. The Commonwealth is currently in consultation with the Northern Territory on such an initiative targeting the 15 *Remote Service Delivery* sites in the Territory.

Areas of priority for FaHCSIA's family violence programs include:

- a strategic roll-out of integrated community engagement programs across Australia focusing on education programs that build awareness and understanding of preventative approaches, support an accredited workforce of Indigenous people and increase knowledge, skills and resilience in communities to tackle violence and abuse; and
- community based initiatives that particularly target Indigenous specific priorities in the *National Plan to Reduce Violence against Women and their Children*. This would include further support for initiatives to reduce alcohol and substance abuse, expand respectful relationships programs, strengthen post release transition services, improve access to interventions for people with complex needs at risk of committing violence and further support children and young people showing early indicators of violence or sexually harmful behaviours.

AGD has as a priority providing all its FVPLS services with outreach community legal education workers -- currently only 15 of 31 have them. The Department considers that these workers play a vital role in developing an understanding of Australian law in remote and rural areas. An understanding of the law greatly assists in empowering women children and elders and help victim-survivors make informed decisions in relation to family violence and sexual assault. It will also ensure that Indigenous Australians understand the relationship between customary law and Australian law.

Also AGD sees benefit in expanding early intervention to reduce alcohol related offending through the *Indigenous Justice Program*. This program could be expanded to provide seed funding to the States and Territories to extend alcohol and drug services to Indigenous people, particularly those on remand or bail. For example, the eligibility criteria for the highly successful *Magistrates Early Referral Into Treatment* (MERIT) program, which provides the opportunity for adult defendants with drug problems to work, voluntarily, towards rehabilitation as part of the bail and remand process could be expanded.

Proposal to further consider a National Partnership on Community Safety

State and Territory Governments are responsible for the administration of the criminal justice system.

On 6 November 2009, the Commonwealth Government hosted a roundtable on Indigenous community safety with State and Territory Attorneys-General, Indigenous Affairs Ministers, Police Ministers and Commissioners and Indigenous delegates with expertise in this area. Discussions focused on policing in Indigenous communities; alcohol control and related services; information sharing and integrated service delivery; and supporting victims of family violence.

Relevant Ministers and Police Commissioners agreed that there was a need for continued work by all governments to improve the safety of Indigenous people living in remote, regional and urban areas in response to high levels of violence, abuse and other crime. It was agreed that community safety is a vital pre-condition to achieve COAG's targets in health, education and housing. They acknowledged that if there is not action to address serious problems in this area, it would not be possible to make improvements in other areas.

A steering committee is currently developing proposals around each of the areas of focussed discussion, including proposals relating to:

- an effective approach for determining law enforcement and support services required in remote and very remote communities, and to recruiting and retaining sworn officers, especially Indigenous officers;
- strategies to reduce alcohol induced violence, abuse and crime;
- leadership in relation to information sharing and integrated service delivery, particularly in relation to family violence and child abuse or neglect cases; and
- a 'first door must be the right door' service delivery model between States and Territories and the Commonwealth, where people receive the appropriate care and support through the entire process of recovery.

The Standing Committee of Attorneys-General has also endorsed the *National Indigenous Law and Justice Framework 2009-2015*. The Framework is a national approach to addressing the serious and complex issues that mark the interaction between Indigenous people and the justice systems in Australia. The strategies and actions in the Framework are intended to be flexible rather than prescriptive to enable implementation that is responsive to local needs and consistent with jurisdictional priorities and resource capacity.

The Framework is intended to support the COAG agenda to *Close the Gap* in Indigenous disadvantage, particularly in relation to community safety and will be instrumental in achieving COAG objectives.

In late 2009, Commonwealth and State senior officials agreed to consider in early 2010, a *National Aboriginal and Torres Strait Islander Safe Communities Strategy* as a schedule to the *National Indigenous Reform Agreement* (NIRA). The Review understands that the Standing Committee of Attorneys-General is currently giving consideration to this initiative.

Accordingly, the Review considers that AGD and FaHCSIA should work together on considering how best to progress a national *Aboriginal and Torres Strait Islander Safe Communities Strategy* (for inclusion as a schedule to NIRA) and, following agreement to the strategy, negotiate a National Partnership on Community Safety, recognising the responsibility that the States and Territories have for this function.

RECOMMENDATION

- 53.** AGD and FaHCSIA should consider how best to progress a national Aboriginal and Torres Strait Islander safe communities strategy (for inclusion as a schedule to NIRA) and, following agreement to the strategy, to further consider a National Partnership Agreement on community safety, recognising the responsibility that the States and Territories have for this function. These considerations should inform the work being undertaken on this matter by the Standing Committee of Attorneys-General in consultation with the Working Group on Indigenous Reform.
- 53.1.** AGD and FaHCSIA should work together to develop an agreed strategy on the effective coordination and allocation of funds for the *Family Violence Prevention Legal Services Program (FVPLSP)*, *Family Violence Partnership Program (FVPP)* and the *Family Violence Regional Activities Program (FVRAP)* to maximise the benefits for Indigenous communities dealing with family violence and help advance the Government's safe communities agenda.

National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF)

The NIITF was established to enhance the national understanding of the nature and extent of issues surrounding violence and child abuse in Indigenous communities.

The joint Australian Crime Commission and Australian Federal Police Task Force has the following objectives:

- improving national coordination in the collection and sharing of relevant information and intelligence;
- enhancing national understanding about the nature and extent of violence and child abuse in Indigenous communities;
- providing related intelligence and other advice, including intelligence on organised criminal involvement in drugs, alcohol, pornography and fraud; and
- conducting research on intelligence and information coordination and identification of good practice in the prevention, detection and response to violence and child abuse in Indigenous communities.

The NIITF commenced in September 2006 as part of a whole-of-government response to remedy violence and child abuse in remote, rural and urban Indigenous communities. An *Indigenous Violence and Child Abuse Special Intelligence Operation* was established in February 2008 to support the NIITF through the use of coercive powers.

The NIITF is building a unique body of evidence about issues related to violence and child abuse in Indigenous communities across Australia by:

- undertaking comprehensive visits to Indigenous communities across Australia;
- using coercive powers to source information that cannot be accessed by other methods; and
- researching and analysing the information gathered, along with other sources of information to gain a comprehensive understanding of the issues involved.

Some preliminary findings from the work of the NIITF are:

- violence is endemic in many Indigenous communities nationally;
- under-reporting and non-reporting of abuse and violence is common;
- poor information sharing between service providers and government agencies results in an inadequate understanding of the extent and nature of child abuse and consequently, inadequate responses to address these issues;
- the violence in Indigenous communities is not linked to organised crime; and
- the abuse of power by people in prominent positions may facilitate criminality, or silence through threats, the reporting of child abuse or violence.

Building an evidence-based picture of violence and child abuse in Indigenous communities will assist governments in developing policies and programs under the *Closing the Gap* strategy.

Funding of \$5.5 million was provided in 2009-10 for the National Indigenous Violence and Child Abuse Intelligence Taskforce. A report outlining the picture of criminality in Indigenous communities was finalised in mid-2009 and was provided to relevant Commonwealth, State and Territory Government departments, key Commonwealth Ministers and the Commonwealth Attorney-General.

Money management services

Money Management Services provide practical and essential support to help people build longer-term capability to manage their money better and increase financial resilience. These services are funded by FaHCSIA and are delivered in remote locations with large Indigenous populations.

Services are voluntary, confidential, free, and open to the broader community. People with complex financial issues or those in financial stress or crisis will be connected to financial counsellors and/or emergency relief services, as well as to other support services.

Money Management Services:

- deliver education and intensive coaching in financial literacy and budgeting for households;
- provide use of tools to implement individual and family budgeting and savings, and debt management plans including on-going budget monitoring;
- organise related family support and referrals;
- assist with accessing financial institutions and financial services information; and
- deliver education and information sessions relating to Money Management Services that meet local community need.

Education and information services are tailored to meet local need. Wherever possible, local Indigenous workers are engaged and supported to deliver these services.

In Queensland, since 2002, *Family Income Management* (FIM) programs operate in Aurukun, Coen, Hope Vale, Mossman Gorge, Lockhart River, Cooktown and Weipa. *Family Income Management programs* support the *Cape York Welfare Reform* initiative with services provided by *Cape York Partnerships*.

FIM aims to develop the capacity of individuals and families to effectively manage their income and achieve improved living standards. Skilled consultants throughout Cape York assist participants to improve their budgeting skills and to understand and make the best use of all available financial products and services.

Money Management Services have been operating in Yarrabah and Palm Island since 2008.

In the Northern Territory, *Money Business Money Management* services have been delivered by community organisations since 2005 in Nguiu, Galiwinku, Katherine and Tennant Creek.

Money Management Services were expanded significantly in 2008-09 to support people participating in *Income Management* as a part of the NTER.

In Western Australia *Money Business Money Management* services have been delivered by community organisations since 2005 in Geraldton and Kununurra.

Four new services, supported by financial counsellors, were put in place in 2008 to support the *Welfare Payments Reform Child Protection* measure in the Kimberley Region. These services, delivered by community organisations, are operating out of Broome, Derby, Fitzroy Crossing and Halls Creek.

A number of educational resources for participants and service providers have been developed, including:

- the *Money Business Kit* which delivers money management education in remote Indigenous communities. The Kit was developed in partnership with FaHCSIA and the ANZ Banking Corporation;
- an accredited Certificate III in Financial Services has been developed to support local workers delivering services in remote communities;
- a structured education package to support home ownership; and
- an education and information package relating to *Family Payments*.

Income Management

As part of the NTER introduced in September 2007 across 73 remote Indigenous communities in the Northern Territory, the welfare reform and employment measure was aimed at increasing participation in education and training, and ensuring welfare payments were better spent, and comprises the following five sub-measures:

- income management and community stores;
- increased participation activities for people on income support;
- Community Development Employment Program (CDEP) transition to jobs and employment services;
- active school participation; and
- community employment brokers.

FaHCSIA is responsible for the policy associated with *Income Management*, a key component of the NTER. The *Income Management* program involves Centrelink officers retaining a specified amount of welfare and family payments so that these funds can be

spent on priority needs. In the Northern Territory the funds that are withheld for income management are:

- 50 per cent of most income support and family assistance payments; and
- 100 per cent of most advances and lump sum payments and the *Baby Bonus*.

Under the current arrangements, income management is applied on a whole-of-community basis to those community members receiving certain welfare payments. The main income support payments subject to income management are *Newstart Allowance*, *Parenting Payment*, *Disability Support Pension*, *Age Pension* and *Youth Allowance*.

Priority items on which income managed funds can be spent include food, clothing, rent, utilities (such as electricity, gas and rates) and transport. If a person's priority needs have been met, then they can spend income managed funds for other persons. Income managed funds, however, cannot be spent on excluded items such as alcohol, tobacco, pornography or gambling services.

The aims of *Income Management* are to:

- ensure that part of certain welfare payments are directed to meeting the priority needs of the person, their partner, their children and other dependents;
- reduce the amount of cash in communities where substance abuse, gambling and other anti-social behaviours are problems that can lead to child abuse and community dysfunction;
- provide better financial security to women and elderly community members who are vulnerable to 'humbugging' (harassment for money); and
- promote socially responsible behaviour, particularly in relation to the care of children.

Centrelink received additional funding to increase the number of agents in Indigenous communities to facilitate communication with community members.

Based on Centrelink administrative data on income managed clients, there were 15,125 Centrelink customers subject to income management at 31 March 2009, with the most common payment types of income managed customers being *Newstart Allowance* (38.0 per cent), *Disability Support Pension* (19.0 per cent), *Parenting Payment Partnered* (13.7 per cent) and *Parenting Payment Single* (11.2 per cent).

The introduction of *Income Management* in NTER communities has provided opportunities for people to be linked to Centrelink services, including intensive social work servicing, resulting in increased access to a range of increased support pathways.

Significantly for some Indigenous people, especially women and the elderly, the introduction of income management has represented the first time that they have exercised control over their entitlements.

In the second half of 2008, the Basics Card was rolled out in NTER communities to provide a form of portable income managed funds to meet everyday expenses. The Basics Card is a PIN-protected card that allows customers to use their income managed funds to purchase priority goods and services at a range of approved merchants using existing EFTPOS infrastructure. The introduction of the Basics Card has also helped to reduce the

administrative burden on local businesses such as community stores and has improved customer choice and mobility. The Basics Card is also helping to address the potential misuse of store cards which Centrelink had previously issued to its clients.

From 1 July 2010, the mainstream *Income Management* scheme will begin to be rolled out in 'vulnerable regions, targeted at individuals at risk' commencing across the Northern Territory - in urban, regional and remote areas - as a first step in a national roll out of income management in disadvantaged regions. The Northern Territory has the highest proportion of severely disadvantaged locations in Australia.

The changes are part of a range of welfare conditionality reforms that the Government has already implemented, including the *Cape York Welfare Reform* trial, child protection income management in Western Australia, 'Learn or Earn'- *Youth Participation Requirements*, and the *School Enrolment and Attendance* measure in Queensland and the Northern Territory. The Review understands that all these reforms (except 'Learn or Earn') are subject to review.

Participants of the new *Income Management* program, which will subsume the existing NTER based program, will include:

- people aged 15 to 24 who have been in receipt of specified welfare payments for more than three of the last 6 months;
- people aged 25 and above on specified welfare payments such as *Newstart Allowance* and *Parenting Payment* for more than one year in the last two years;
- people referred for income management by child protection authorities; and
- people assessed by Centrelink social workers as requiring income management due to vulnerability to financial crisis, domestic violence or economic abuse.

The new scheme will apply to any individual who meets one of these criteria. It is expected that the roll out across the Northern Territory will take around six months. Around 20,000 individuals are expected to be covered by income management in the Northern Territory when it is fully implemented.

Individuals will also be able to voluntarily participate in income management, and will be eligible for an incentive of \$250 every six months that they remain on voluntary income management.

New matched savings incentives will also be introduced for those on compulsory income management to help them budget and save. An individual on compulsory income management, who completes an approved money management course and has a pattern of savings over at least 13 weeks, will receive a matched saving contribution from the Government of up to \$500 and up to 50 per cent of the costs of household items, such as whitegoods.

In her media release announcing the extension of Income Management in the Northern Territory, the Minister for Families, Housing, Community Services and Indigenous Affairs noted that the operation of the new *Income Management* scheme would be carefully evaluated. The first evaluation progress report is expected in 2011-12. The other income management trials currently underway in Western Australia and Queensland will also

continue to be evaluated. The Minister stated that the *'future roll out elsewhere in Australia will be informed by the evidence gained from this evaluation activity.'*

The new income management scheme in the Northern Territory will cost \$350 million over four years.

In its August 2009 *Report on Income Management in the Northern Territory*, the Australian Institute of Health and Welfare (AIHW) commented that three-quarters of the 1600 people whose income was being managed under the income management program were spending more money on food, with half buying more fruit and vegetables.

The AIHW report, based on surveys of a small sample of welfare recipients whose income was being managed, found evidence that income management was having a positive effect. It said 62.5 per cent of parents interviewed reported that their children were eating more, with 57.4 per cent reporting their children had gained weight and 52 per cent saying their children were healthier. Three-quarters of the parents said they were spending more on food than they spent before the system began. Two thirds of the parents said they had reduced spending on gambling, with nearly 61 per cent spending less on alcohol.

While the survey found that some people resented being income-managed, they also acknowledged that it had a positive impact on the safety and well-being of their communities.

The AIHW report observed that a literature review of income management programs had been undertaken by Charles Darwin University in 2008¹⁸² as part of a qualitative report commissioned by FaHCSIA. The review found and assessed the evaluations of six different types of income management programs. There was evidence of positive outcomes as well as minimal impacts of income management on the various behaviours that programs were directed at changing.

The literature review outlined some conceptual arguments about why changing income management practices through external intervention may not lead to the desired behavioural change. These included that households or family units typically have multiple sources of income and there is therefore some flexibility to maintain existing expenditure patterns while meeting the requirement of programs.

The Charles Darwin University report noted that the capacity for programs to achieve change was determined by the financial practice competencies of the families in relation to cash flow management, credit management, saving and investment. They also noted that income management programs could assist in building competency, but that competency was more a function of what individuals could learn from family and friends.

The AIHW commented in their report that the evaluation was very dependent on the views and perceptions of stakeholders about the outcomes of income management. This type of information is subject to 'recall bias' and is not always reliable. The evaluation findings

¹⁸² Charles Darwin University, *Baseline survey of income management practices in Northern Territory indigenous communities*, Unpublished report prepared for FaHCSIA, 2008.

would have greater strength if they were supplemented by empirical indicators that corroborated the information provided by the various stakeholders. These indicators might include the proportion of households meeting rent or utilities payments, proportion of households seeking emergency payments, or child health measures such as proportion of babies with low birth weight.

The AIHW also noted that stronger evidence would also be provided by a larger client survey where participants are randomly selected for interview to ensure that they are representative of all community members. Such a survey could be conducted in a range of communities where income management appears to be more and less successful. This could assist to identify the success factors for income management and allow some of the findings to be better quantified. If the survey was large enough it would also allow greater disaggregation of data by demographic variables such as age, sex and region.

The Review notes that despite some anecdotal and evidence based indications of success with income management amongst Indigenous communities in the Northern Territory, it is still too early to confidently argue that the income management program is helping to strengthen Indigenous families by ensuring that welfare is spent 'on the essentials of life and in the interests of children' rather than being spent on dysfunction activities.

The Review has been advised¹⁸³ that the average cost of delivering the *Income Management* program is between \$5,000 and \$5,500 per person per annum. One of the key factors in that cost has been a significant increase in Centrelink staff costs to support the rollout of income management.

With the announced rollout of income management to both Indigenous and non-Indigenous people living in the Northern Territory and the Minister's announced plans to extend income management more broadly across Australia, it is important that the evaluation processes announced by the Minister in her 25 November 2009 media release take place and are conducted in an independent and robust manner.

To ensure that these evaluations are meaningful and useful to Government, it is important that the evaluations have access to good data. Therefore, the Review considers that the Department of Human Services should ensure that comprehensive and authoritative data is developed and in place to inform the planned progressive evaluations of the *Income Management* program and to inform the formal evaluation of the program that is required by 2013.

¹⁸³ Department of Families, Housing, Community Services and Indigenous Affairs, *Discussion on the Income Management Program*, prepared by G Matthews, FaHCSIA, 2009.

RECOMMENDATION

54. DHS should ensure that comprehensive and authoritative data are available to inform the planned evaluation of the *Income Management* program that is required by 2013.

Community stores

There have been longstanding concerns that many stores in Indigenous communities were poorly managed, provided low quality or overpriced goods. High freight costs and poor operating practices have compounded the logistical challenge of delivering a good range of food and other items at a reasonable price.

The licensing of community stores was a complementary component of *Income Management* program in the Northern Territory. Licensing was introduced to improve the way stores operated and the quality of food they provided. The licensing of at least one store in a community was a necessary pre-condition of income management.

Licences were issued when stores were able to demonstrate a capacity to participate in the requirements of income management. This capacity was demonstrated by having a reasonable quality, quantity and range of groceries and consumer items, including healthy food and drinks, which were available and promoted at the store, and by having sound financial structures and retail and governance practices.

Where a store did not meet licensing requirements it could be issued with an interim license, licensed with additional conditions or given more time to meet the requirements. As a last resort, the government could compulsorily acquire the store and install an operator who could meet the required standards. The way stores are operating is regularly monitored and the operations of a store are formally reviewed around the time its licence expires.

Where there was no store in an Indigenous community, or where stores were of a very low standard or for other reasons could not be licensed, the government assisted with the implementation of bush order deliveries to ensure the reliable supply of affordable, good quality food. Food security in a community was a pre-condition for income management to be implemented.

In a media release dated 25 November 2009, the Minister for Families, Housing, Community Services and Indigenous Affairs noted that community consultation and monitoring of community stores indicated that the licensing of community stores had improved the range and quality of food available in communities. Of the 88 licensed community stores, 68 per cent reported increased sale of fruit, vegetables, dairy products and meat.

The Minister announced in her media release that community store licensing would continue with the scheme extended through:

- the establishment of a legislative link between community store licensing and the eligibility of a store to participate in the income management arrangements;

- extending the scope of the licensing scheme to cover shops which are a key source of food, drink and grocery items for an Indigenous community, including takeaway or fast food shops and roadhouses; and
- providing greater clarity about the obligations of licence holders.

House of Representatives report on the operation of Community Stores

In December 2008, Minister for Families, Housing, Community Services and Indigenous Affairs requested the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs inquire into and report on the operation of community stores in remote Aboriginal and Torres Strait Islander communities. The Committee was asked to report on the operation of local community stores in remote Aboriginal and Torres Strait Islander communities.

On 16 November 2009 the Committee tabled its report¹⁸⁴. The Committee has found that remote Indigenous communities are operating a range of store models to meet their food security needs with varying degrees of success. Group store models like the Arnhem Land Progress Aboriginal Corporation and Outback Stores offered security from boom and bust cycles, but not every small community could sustain a viable store despite the need for one.

Outback Stores Pty Ltd is a commercial business unit wholly owned by Indigenous Business Australia (IBA) with a voluntary board of senior retailers and professional company directors. Outback Stores is expanding to more Northern Territory communities to ensure they have access to well-managed stores and provide healthy and reasonably priced food. Additional funding has been provided to accelerate the rollout of Outback Stores in the Northern Territory.

Arnhem Land Progress Association Corporation operates stores under a corporate licence and also operates individual stores under consultancy agreement.

The Committee's report made 33 recommendations intended to ensure remote communities could obtain a secure and affordable food supply using the store or food delivery model that best suits their circumstances. However, it is unlikely that Outback Stores will become self-sustaining in the next few years, unless the organisation is able to do so by withdrawing from unviable stores this leaving the affected Indigenous communities with no dependable food supply.

The Committee was of the view that there was a significant variance between the business task Outback Stores was established to fulfil and the needs of food security which it is currently meeting. The Committee concluded that the issue is one of clarity of purpose for the Outback Stores group and that the policy objectives behind Outback Stores should be adjusted to reflect the dual role it is currently fulfilling.¹⁸⁵

In particular, the Committee was of the view that the provision of interim store services to ensure continued food security should not be considered part of the business arm of

¹⁸⁴ Australia, House of Representatives Aboriginal and Torres Strait Islander Affairs Committee, *Everybody's Business - Remote Aboriginal and Torres Strait Community Stores*, 2009.

¹⁸⁵ *ibid.*, para 7.108.

Outback Stores. Rather, through a contractual arrangement with FaHCSIA, Outback Stores should be provided top-up funding on a case by case basis in order to maintain a store service in a community in the short term until more viable long-term delivery and supply options are established by the community.¹⁸⁶

The Review supports the Government giving consideration to reviewing the Outback Stores business model to recognise that Outback Stores has two distinct roles -- one focusing on commercial operations, the other on addressing the government's policy interest in delivery of food security. The Review also supports the Committee's recommendation that the community stores be registered by the Office of the Registrar of Indigenous Corporations under the *Corporations (Aboriginal and Torres Strait Islander) (CATSI) Act 2006*. However, it is the view of the Review that registration of community stores under the CATSI Act be encouraged rather than be obligatory.

RECOMMENDATIONS

- 55.** All community stores in remote Indigenous communities should be encouraged to be registered by the Office of the Registrar of Indigenous Corporations (ORIC) under the *Corporations and Aboriginal and Torres Strait Islander Act 2006*.
- 56.** The business model of Outback Stores should be reviewed to recognise that *Outback Stores* have two distinct roles: one focusing on commercial operations; and the other on addressing the Government's policy interest in delivery of food security.

Aboriginal and Torres Strait Islander Legal Service (ATSILS)

The Australian Government's *Aboriginal and Torres Strait Islander Legal Service (ATSILS)* supports the provision of culturally sensitive legal aid services to Indigenous Australians. The primary objective of ATSILS is to improve the access of Indigenous Australians to high-quality and culturally sensitive legal aid services, so that they can fully exercise their legal rights as Australian citizens. This network delivers services at numerous permanent sites, court circuits and outreach locations in urban, rural and remote areas throughout all States and Territories.

The range of services provided comprise:

- information, initial legal advice, minor assistance and referral;
- duty lawyer assistance; and
- legal casework services for criminal, civil and family law matters.

Indigenous legal aid services are provided in accordance with priorities laid down in the *Policy Directions for the Delivery of Legal Aid Services to Indigenous Australians*. The funding arrangement for providing these services has been progressively changed to contractual relationships through a competitive tender process from grant-based funding.

¹⁸⁶ *ibid.*, para 7.114.

Since 1996, there have been a series of reforms to Indigenous legal aid services. The primary objective of these reforms has been to improve both the quality and efficiency of service delivery. Among other reforms, changes have been made to the targeting of legal aid services, to the service standards to be met by service providers and to arrangements for data collection, monitoring and evaluation.

In line with broader Government policy, an important feature of the move from grants-based funding to contracting with service providers has been a commitment to contestability and competitive tendering for legal aid services. The primary objective is to better prioritise and target available resources to ensure that legal aid services are responsive to established policy priorities and community needs, and to provide the best possible quality of service to program clients.

The Review considers that it is important that a separate legal aid service for Indigenous Australians continue. Indigenous people need to have the confidence that they can access a legal aid service that understands their needs and the specific problems and challenges faced by many Indigenous families and individuals.

It has also been made clear to the Review that the States and Territories, which are responsible for delivering mainstream legal aid services, are generally unwilling to take on responsibility for providing services to Indigenous people, particularly those living in rural and remote locations. It is understood that this would be the case even if the Commonwealth agreed to transfer funding for legal aid services to Indigenous Australians to the States and Territories.

Also, situations regularly arise where Indigenous communities and individuals are challenging decisions made by state and territory departments and agencies, including some jurisdictions' incarceration policies. In these circumstances, it can be argued that Indigenous people need access to legal aid services which are seen as independent from state and territory funding.

RECOMMENDATION

- 57.** The Aboriginal and Torres Strait Islander Legal Service (ATSILS) should be maintained as a separate legal aid service for the Indigenous community.

Promoting law and order in the Northern Territory

The Australian Government has committed \$18.54 million in 2009-10 to fund ongoing activities resulting from the changes to alcohol and pornography laws in the Northern Territory and support increased police presence in remote communities.

Funding will also enable the Government to continue to support the Northern Territory Police in managing the deployment of Australian Federal Police (AFP) to remote communities and will support the additional 18 police stations created as part of the *Northern Territory Emergency Response* (NTER).

The measure provides ongoing assistance for activities linked with changes to alcohol and pornography laws in the Northern Territory including licensing, development of alcohol management plans in Indigenous communities and community education.

Effective remote policing requires a range of infrastructure and services which are being managed or supplied by the Northern Territory Police. The measure includes some costs of the Northern Territory Police in the deployment of 66 additional AFP police to the Northern Territory. Included are uniforms and equipment, support for temporary infrastructure and logistic support. Funding does not include salary or related costs for Northern Territory police stationed in remote communities.

A proposal is going forward in the 2010-11 SIBS seeking funding of \$9.2 million over 2 years to extend the deployment of AFP police. Under the proposal, the AFP expects to transfer the majority of its policing responsibilities to the Northern Territory Police by the end of 2011-12.

Law and Justice Advocacy Development Program

The *Law and Justice Advocacy Development Program* (LJAD) supports the advancement of the legal rights of Indigenous Australians by funding groups to pursue advocacy, research and community-level education.

It provides funding for a range of activities that promote improved law and justice outcomes for Indigenous Australians. Funding is allocated in accordance with LJAD's program guidelines.

The Program is run in conjunction with other Indigenous law and justice programs, and seeks to support law reform, policy development and research, and the delivery of community legal education. AGD encourages partnerships between Indigenous organisations and tertiary and research institutions, and government and non-government agencies, which assist in the development of clearly articulated and evidence based policy and law reform, including relevant research. The Program does not fund legal case work or test cases.

In examining the LJAD activities and functions, it is clear that there are similarities and synergies with the broader ATSILS program. Therefore, the Review recommends that the LJAD be incorporated with the ATSILS program to broadband legal services for Indigenous Australians so as to improve flexibility of and achieve efficiencies in service delivery. Arrangements are already in place for this to occur in 2010-11.

RECOMMENDATION

58. The *Law and Justice Advocacy Development* (LJAD) program should be consolidated within ATSILS consistent with arrangements that are due to commence in 2010-11.

Community support service

In April 2009, the Minister for Families, Housing, Community Services and Indigenous Affairs announced that the Australian Government would be providing \$55 million over four years to deliver link-up and support services for Indigenous Australians through a national network of 87 new Indigenous *Community Support Service* (CSS) providers¹⁸⁷.

The CSS supports Indigenous community members and their families by providing links and referrals to a range of mainstream and Indigenous services which may include welfare and social support, family violence, health (including drug and alcohol services), housing, child care and legal services. The role also entails the development and fostering of relationships with other service providers through promoting access and pathways to their services.

The CSS program was established following consultations with Indigenous communities about the reform of the *Community Development Employment Projects* (CDEP) Program. Under the CSS, funding of up to \$150,000 for a provider to service a single or cluster of locations will cover salary, rent, utilities, equipment, administrative, training, travel and other costs. The Government was encouraging service providers, including those affected by the removal of CDEP, to apply for funding to provide the new Indigenous Community Support Service.

Subsequently during 2009 a group of not-for-profit organisations were selected by FaHCSIA to deliver the CSS at a range of locations in urban and regional areas as well as some larger towns in remote areas.

The CSS is intended to be a 'welcoming place' in each selected community where Indigenous people and their families can go for help to find a service to meet their personal needs.

CSS staff are expected to have a good knowledge of the range of Indigenous and mainstream government services available to help local Indigenous community members. They will have developed relationships with these services so that they are able to refer individuals to those services.

The program also has a 'community development' objective in that the assistance it provides in meeting the operating costs of community based organisations enables those organisations to develop wider roles in their Indigenous communities and build their capacity to contract with governments in providing related services to their people.

¹⁸⁷ The Hon J Macklin MP (Minister for Families, Housing, Community Services and Indigenous Affairs), *Expanded community support service for Indigenous communities*, media release, Canberra, 3 April 2009.

The Review considers that it is desirable for the future management of this program to distinguish between the two objectives and keep open the possibility of separating the resourcing of these objectives.

Direct resourcing of the community development objective could in due course be made by other means. For example, funding could be sourced through a program included in or similar to FaHCSIA's *National Secretariat* program, which provides financial support for peak bodies and community groups to allow them to contribute to government policy and service delivery and communicate government information to their members and clients.

The funding of Indigenous community organisations for community development purposes could also be considered as part the Government's plans to reform the *Municipal and Essential Services* program and then negotiating the transfer of this program to the States and Territories. (The proposed reforms to the *Municipal and Essential Services* program is discussed in more detail in the Housing, Home Ownership and Infrastructure chapter of this Report).

Separation of the twin program objectives also provides flexibility, and subject to evaluation of the current arrangements over the next several years, to keep open the possibility of other service delivery models linking individuals with the services they need. As is discussed elsewhere in Chapter 9 of the Report, there is a need for greater engagement and involvement by Commonwealth and State and Territory staff in providing services to Indigenous Australians and that more effort needs to be made by staff on the ground to work with Indigenous communities and families in improving access by Indigenous people to government services, including reducing the level of distrust that exist amongst some Indigenous families about dealing with government departments and agencies.

The Review understands that FaHCSIA has entered into three-year contracts with CSS providers which expire after 2011-12. Therefore, the Review proposes that any further funding for the CSS program after the existing three year service provider contracts cease be subject to an evaluation of the program and consideration of alternative delivery models that have the capacity to more directly meet the twin objectives of the program of 'community development' and 'service access and support'.

RECOMMENDATION

59. Any further funding for the *Community Support Service* program after the existing three year service provider contracts cease should be subject to a comprehensive evaluation of the program and consideration of alternative delivery models that have the capacity to more directly meet the twin objectives of the program, i.e. community development and service access and support.

59.1. In the meantime, FaHCSIA should use related measures (such as the proposed role of the Overarching Bilateral Indigenous Plan sub-committee on Urban and Regional Strategy and the review of local staffing of ROCs and ICCs) to develop strategies to improve Indigenous access to the full range of available services.

Torres Strait Regional Authority (TSRA)

The Torres Strait Regional Authority (TSRA) is an Australian Government Statutory Authority established on July 1 1994 under the *Aboriginal and Torres Strait Islander Commission Act 1989*, which is today known as the *Aboriginal and Torres Strait Islander (ATSI) Act 2005*. The TSRA comprises a Board of twenty elected Members.

The TSRA has the responsibility to:

- formulate, coordinate and implement programs for Torres Strait Islander and Aboriginal people living within the region;
- monitor the effectiveness of these programs, including programs conducted by other bodies;
- advise the Minister for Families, Housing, Community Services and Indigenous Affairs on matters relating to Torres Strait Islander and Aboriginal Affairs in the Torres Strait;
- recognise and maintain the special and unique *Ailan Kastom* of the Torres Strait Islander people living in the Torres Strait Region; and
- undertake activities necessary to perform its function as defined by the ATSI Act.

FaHCSIA¹⁸⁸ consider that the TSRA has been running effectively for a number of years, with financial support of the Commonwealth and Queensland governments.

In 2009-10, the TSRA received \$69.3 million in funding from the Commonwealth and employed around 65 staff to deliver functions which include administering programs for the 5,000 Indigenous people living in the region, as well as supporting local councils and community organisations within the Torres Strait region in six key development areas covering economic development, employment and training, native title, housing and environmental health, social and cultural development and policy coordination and development.

TSRA also has a strategically important role as an organisation serving a region located on the border with Papua New Guinea. This role has implications for the Commonwealth Government's foreign affairs, trade, customs, immigration and quarantine responsibilities.

The TSRA is making a significant contribution in health, employment, training and economic development outcomes in the Torres Strait region and is playing its part in helping the Government meet its *Closing the Gap* objectives.

In March 2008, the Office of Evaluation and Audit (OEA) published a performance audit of the TSRA's development plan.¹⁸⁹ The OEA found that while TSRA has met its legislative responsibilities in preparing its development plan, TSRA is a relatively small organisation with limited capacity to develop and implement major policy and program changes. To achieve the policy and program changes that have been initiated, the OEA considered that the TSRA will require ongoing support from key Australian Government departments. FaHCSIA has primary portfolio responsibility for the overview of TSRA performance and

¹⁸⁸ Discussions FaHCSIA Officers, 17 December 2009.

¹⁸⁹ Office of Evaluation and Audit (Indigenous Programs), *Performance Audit of the Torres Strait Regional Authority Development Plan*, March 2008.

should play a leading role in coordinating and encouraging such support from other agencies. The OEA found that the TSRA has sound governance arrangements in place, including good Board processes.

In the light of the FaHCSIA and OEA comments, the Review has no specific recommendations regarding the TSRA at this time.

Released under FOI Act

CHAPTER 5.8: GOVERNANCE AND LEADERSHIP

The concept of community

Under the COAG *National Indigenous Reform Agreement (Closing the Gap)*, it has been recognised that overcoming Indigenous disadvantage requires a long-term commitment across the range of Building Blocks which support the reforms. One of these key building blocks is 'Governance and Leadership'. Yet, despite this COAG recognition, the Review considers that governance and leadership has not received sufficient policy attention nor has a coordinated approach being taken to the development and delivery of government programs in this area.

As COAG has observed, the rationale for investing in governance and leadership is that achieving the *Closing the Gap* targets and policy goals will need Indigenous communities to be regarded as equal partners in this endeavour. There is also a need for strong Indigenous leadership to champion and demonstrate ownership of these reforms. Effective governance arrangements in communities and Indigenous organisations as well as strong engagement by governments at all levels are essential to long term sustainable outcomes. Indigenous people need to be engaged in the development of reforms that will impact on them. Improved access to capacity building in governance and leadership is needed so that Indigenous people can play a greater role in exercising their rights and responsibilities as citizens.

The challenge in building the governance and leadership skills of Indigenous people, communities and organisations is to improve mutual understanding of each different values, cultures and expectations for civil and organisational governance.

Australia's system of government, including the accountability and probity checks and balances that need to be met when using government funds, are fundamentally based on Western culture and history. An understanding and appreciation of these values and systems cannot simply be imposed on groups that have a quite different culture and history. This point applies not only to governments working with Indigenous people, but also when governments in Australia work with migrant families and communities from other cultures such as East Africa or the Middle East.

A second, more specific, challenge in building the leadership and governance skills of Indigenous people is to recognise the importance to most Indigenous people of their community, clan and family in their behaviours and decision-making. Traditional requirements for nurturing of kin relationships and fulfilment of kin obligations can sometimes lead to conflicts of interest with the probity and accountability standards expected within western systems of governance and administration.

The phrase 'Indigenous community' is an often used term in Indigenous policy discussion. It is used to describe Indigenous groupings, especially those outside of urban areas in discrete rural or remote settlements. It is also commonly applied to (and by) Indigenous Australians in regional and urban settings who, even if physically merged within the urban landscape of towns and cities, see themselves as deeply connected to other Indigenous people based there, especially those sharing traditional language, kinship and family ties.

A useful description for Indigenous communities is '*a network of people and organisations linked together by a web of personal relationships, cultural and political connections and identities, conditions, or common understandings and interests*'¹⁹⁰. Using this description, the term 'Indigenous community' can be applied in any setting (urban, regional, rural or remote) and to any group of Indigenous peoples who share a meaningful connection and relationship.

Governments also need to recognise that Indigenous 'communities' are most often heterogeneous, rather than homogeneous, groups. The phrase 'community' tends to evoke an image of an homogenous group with inherent allegiances, natural solidarity and a collective voice. However, this does not necessarily reflect the reality of life in many communities. Many of these communities are often highly heterogeneous, comprising several Indigenous families, clans or language groups with few traditional ties, whose genesis stemmed from successive government policies over many decades which led to many Indigenous groups moving from their traditional lands. The breakdown of customary law and the lack of shared systems for dispute resolution for the different groups now living together seriously inhibit attempts by Indigenous leaders and governments to develop shared visions for the future, to foster cooperative relationships and implement effective strategies for change.

Another issue is the tendency for governments and their employees to view resident Indigenous community organisations as representing the 'whole community' and to focus their community engagement and consultations on these organisations alone. In some cases, these organisations may only represent key families in a region rather than the diversity of views, interests and needs. Whilst these organisations are often key providers in their region and their views are of particular importance, especially concerning policies and programs for service delivery, careful assessment of the whole of community views is needed for balance and equity.

Many commentators also speak about the mobility of Indigenous Australians. Urban enclaves, including fringe settlements around larger towns and cities, often serve as satellite centres drawing individuals, families and larger groupings from surrounding regions for access to health, education, jobs, family reunions, and other reasons. This mobility can complicate effective community governance as well as efforts by government to consult, engage and provide services to Indigenous Australians in these communities.

Therefore, in addressing the governance and leadership needs of Indigenous people, it needs to be recognised that each community will have a unique history and cultural composition, and its own set of strengths, values, mix of cultural practices, and community governance issues needing attention. In this context, governments need individually nuanced strategies to build community governance and leadership capabilities, based on the specific circumstances in each community.

There is a need to identify a range of suitable governance and decision-making processes that effectively balances the variety of Indigenous governance styles with governments'

¹⁹⁰ J Hunt & D Smith, *Indigenous Community Governance Project: Year 2 research findings*. Working Paper no. 36/2007, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra, 2007.

responsibilities for properly managing public funds. These governance approaches should be designed to empower Indigenous people and communities, including equipping them with relevant skills, so that they can progressively take meaningful control of their futures.

Approaches to developing Indigenous community governance

International aid and development literature¹⁹¹ and Australia's own Indigenous experience has numerous examples of community governance, organisational structures and service interventions that have been designed externally and then imposed on Indigenous communities with little success, despite their original good intentions.

Rather the evidence points¹⁹² to the benefits flowing from a genuine partnership with Indigenous communities, adopting a 'strengths based' approach, and building on the inherent leadership and wisdom within communities to create a new spirit for change and the embracing of essential reforms to personal behaviour.

The November 2009 report of the Coordinator-General for Remote Indigenous Services provides suggestions on whole of government strategies to improve Indigenous community governance.

The Coordinator-General made it clear that *'good governance within communities, which includes Commonwealth, State and Territory and Local Government presence and coordination and strong community leadership are preconditions for success – without these, the new investments are at risk.'*¹⁹³ He suggested that *'governance and leadership training needs to be pooled and tailored to local circumstances given the proportion of communities struggling with governance issues'*

The Coordinator-General's visits to the priority RSD communities indicated that a significant proportion of these locations are experiencing difficulties with governance. Governance issues raised with the Coordinator-General included:

- achieving functioning community governance bodies which enable all voices on issues affecting that community to be heard;
- management of local organisations, particularly ensuring that services are accessible to all; and
- the absence of a working partnership with government service providers such as police and local councils and with Commonwealth, State and Territory Governments themselves.¹⁹⁴

A set of key insights to the inherent capabilities in strong and effective governance structures and the strategies needed to develop and promote these governance characteristics comes from the work of Michael Limerick with Indigenous communities in

¹⁹¹ Morgan Disney and Associates Pty Ltd., *Respecting Past Achievements and Learning for Change: Lessons to inform the Remote Service Delivery Strategy and Government Business Practices*, Canberra, 2009.

¹⁹² *ibid.*

¹⁹³ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 2.

¹⁹⁴ *Op. cit.*, p. 94.

Cape York.¹⁹⁵ Limerick suggests that the following configuration of governance attributes will lead to successful community performance:

- a strategic orientation based on a shared vision;
- a clear separation of powers between politics and administration;
- respect for the rule of law through a commitment to impartially applying equitable rules and policies;
- an effective administration featuring a commitment to sound financial management, a stable workforce and human resource management practices that value, support and develop staff;
- appropriate community engagement in relation to those community governance activities where success is contingent on input of information from a range of interests, the motivation and commitment of the community or coordination with community-based agencies; and
- strategic engagement with government and other institutions external to the community.¹⁹⁶

Limerick goes on to suggest the need for the following strategies¹⁹⁷:

- a focus on good governance training, resources and capacity-building for leaders and staff of Indigenous communities and organisations, highlighting:
 - the appropriate application in Indigenous contexts of conventional governance principles such as the separation of powers and the rule of law; and
 - strategies for managing the conflict between family and kinship obligations and the requirements of roles that serve the ‘whole of community’ interest;
- support for Indigenous communities to develop a long-term vision, shared across the community leadership and reinforced with relevant strategic plans;
- measures to build the capacity of leaders and staff of Indigenous communities and organisations to strategically engage with government and other external stakeholders;
- greater community engagement training and support for Indigenous communities and organisations;
- support strategies (for example, training, resources and professional support networks) to assist Indigenous community residents to cope with the intense pressure they experience in taking on positions of responsibility within Indigenous communities;
- including a strong focus on human resource management within any administrative capacity building initiatives for Indigenous communities and organisations;
- support for Indigenous communities and organisations to develop long-term and strategic workforce development strategies, especially investment in education that is relevant to the community’s workforce needs;
- initiatives to increase the mobility of residents of Indigenous communities with a view to increasing their exposure to living and working in mainstream society; and

¹⁹⁵ M Limerick, *What makes an Aboriginal Council successful? A Report on PhD Research into Aboriginal Community Government Performance in Far North Queensland*, Griffith University (Unpublished), 2009.

¹⁹⁶ *ibid.*

¹⁹⁷ *ibid.*, p. 30.

- reforming the governance environment for Indigenous communities and organisations (for example, funding processes and compliance regulations) to maximise their opportunities to overcome historical relations of dependency, exercise greater autonomy and assume full responsibility for community governance.

Another suggestion brought to the attention of the Review¹⁹⁸ and based on work undertaken in Melanesian countries in the South Pacific, is to put more effort into working with the Indigenous communities themselves to develop forms of governance that meet Australian government accountability and probity standards yet are based around Indigenous community values and culture. For example, senior Indigenous elders and leaders could be encouraged and supported to become formal mediators or ‘Indigenous Ombudsmen’ and then work with Indigenous communities to resolve tensions and conflicts and to work with those communities to develop local community governance strategies and social norms that can work alongside Australian government accountability and probity standards.

Other place-based approaches to improving community leadership and governance being trialled or implemented at present include:

- the intensive interventions associated with the *Northern Territory Emergency Response* (NTER), which has included the placing of government business managers in remote Indigenous communities along with the employment of Indigenous engagement officers from these Indigenous communities to assist, inter alia, with improving community governance;
- the *Remote Service Delivery* (RSD) strategy involves as one of its key elements the development of local implementation plans (LIPs) in each of the 29 priority communities. It is expected that each of these plans will include support for and funding of governance and leadership training and advisory programs. Recommendations for similar LIP arrangements in regional and urban areas should also include a similar approach; and
- the *Cape York Welfare Reform Trials* established a highly structured approach to restoring positive community leadership and social norms within the four designated communities in this trial. The evaluation of the outcomes of this Trial are yet to be completed.

Improving Indigenous community organisational governance

Improving the quality and governance of Indigenous organisations is also critical to the *Closing the Gap* agenda, as so many of them are now critical service providers (on behalf of governments) for Indigenous Australians, especially in rural and remote areas.

According to Gary Banks, Chair of the Productivity Commission and judge for the Indigenous Governance Awards in 2006 and 2008 *‘the best of these organisations outclass most mainstream organisations or enterprises in Australia’*. This was because

they do everything that mainstream organisations should do to reflect good governance principles and practice. They have strong leaders, clear goals,

¹⁹⁸ Suggestion by John Wood, former Australian Deputy Commonwealth Ombudsman.

*accountable boards and effective administrations. They also have sound policies for making decisions, strategic planning and dealing with disputes. But they have something more: a profound connection with community and a cultural fit that makes the best of them truly remarkable organisations.*¹⁹⁹

The Review's attention was drawn to the organisational governance and development work of the Office for Aboriginal and Torres Strait Islander Health (OATSIH) who fund a national network of over 170 Aboriginal Community Controlled Health Services or Aboriginal Medical Services (AMSs) in urban, regional and remote areas. This AMS network has been growing since the 1970s, and is now a mature sector, with long established representative bodies at both regional, state/territory and national levels.

Recognising that quality, responsive health services are an essential service to all Indigenous Australians, OATSIH's approach to building the capacity of health services to provide quality care to Indigenous Australians have two elements:

Enhancing performance and Quality Management in the AMS network

In response to regular organisational risk assessments carried out by its staff, a specific risk management plan is developed for each AMS where key shortfalls are identified in their governance and management, financial and legal accountabilities, professional quality and supervision, and service provision among other areas. This plan must be agreed by both the organisation's governing body and the department, with its implementation closely monitored. Where major concerns remain unaddressed, the Office of the Registrar of Indigenous Corporations (ORIC) will become involved or other necessary administration and governance interventions will be implemented to address any major risks while access to health services continues.

In recognition of the benefit of sustaining a long term relationship with these Indigenous community organisations, OATSIH prefers to work with a faltering AMS and support that organisation to resolve its difficulties. However, gross failures of office or criminal conduct, whenever this occurs, warrants urgent and extreme intervention in the organisation.

To enhance governance and leadership capabilities and develop business practices within the AMS sector, a Business Improvement Group has been operating for several years comprising OATSIH and the national and state peak organisations (that is, National Aboriginal Community Controlled Health Organisation (NACCHO) and its state affiliates). The Business Improvement Group works collaboratively to focus on key leadership and business challenges in the sector and to support individual AMSs to develop their capabilities in this area. Funding for training for business improvement and governance of AMS Boards and staff is available to support this area.

To improve the quality of health services provided, funding and incentives are designed to support the accreditation of AMSs against mainstream primary health care standards, and the adoption of continuous quality improvement tools and services within health service delivery.

¹⁹⁹ G Banks, *Indigenous Governance Awards Presentation*, 2005.

Regionalisation of Indigenous Health service management in remote areas

In remote regions where small isolated AMSs may struggle to meet the full range of health needs whilst managing a complex health organisation, a regionalisation program for health service delivery is underway in the Northern Territory. This regionalisation program has initially been based on a well established model in the Kimberley region.

This program is designed to consolidate isolated small remote clinics under regional governance structures as hubs for centralised corporate services, professional training and support, clinical supervision and other selected areas to realise efficiencies in management and administration, and free up clinical staff to focus on delivery health care and programs.

These OATSIH strategies collectively are designed to improve the organisational and professional capabilities of the Indigenous health sector including individual organisations, to support quality and reliable health care for Indigenous Australians in remote regions.

Indigenous leadership development

The *Indigenous Leadership Program* run by FaHCSIA is based on a leadership model which uses a developmental and strengths-based approach²⁰⁰. It encourages self awareness amongst the course participants, belief that change is possible, and provides tools to plan for a better future for the individual, and her or his family and community. The Program is delivered in a 'safe environment' which gives individuals the confidence to back themselves to make positive life changes.

The *Indigenous Leadership Program* was first developed in 2004 as a program aimed at improving the status of Indigenous women within their own communities and with the wider Indigenous community, and to encourage more Indigenous women to assume leadership positions. It was recognised at the time that Indigenous women already carried significant responsibility for the wellbeing of their communities but were under-represented in formal positions of influence and had limited input into policies and programs impacting on their communities and families.

Since 2004 the *Indigenous Leadership Program* has expanded to include men and youth (from 18 years old) and has grown in size from the initial group of 70 to approximately 900 in 2008-09. The program measures as one of its success its ability to deliver a culturally appropriate program that provides flexibility in meeting the needs of a diverse range of Indigenous participants of different ages and backgrounds from both urban and regional and remote communities. Increasing accessibility to the program has seen access to the *Indigenous Leadership Program* evolve from a submission application process to a straight registration process. This has allowed many more participants from remote Australia to participate in the program.

²⁰⁰ Information provided to the Review by FaHCSIA Indigenous Leadership and Engagement Group and information sourced from the FaHCSIA web site:
http://www.fahcsia.gov.au/sa/Indigenous/progserv/leadership/Pages/Indigenous_leadership_development_opportunities.aspx

The program is designed to deliver immediate and longer-term outcomes for participants, including:

- improved self-awareness and awareness of others;
- increased self-esteem and confidence;
- forming of networks across the country;
- motivation to continue and take on leadership roles;
- developing a range of skills, including vision and goal setting, influencing and negotiation; and
- making positive life changes.

The Review has been advised that an ongoing evaluation of the *Indigenous Leadership Program* has been in place for last two years. Based on feedback to FaHCSIA program organisers from former program participants, the impacts of the program on the participants have been many and varied. As a direct consequence of the *Indigenous Leadership Program*, a number of participants have taken up university study, applied for and gained new jobs, moved from violent relationships to safe and supportive ones, purchased homes and stopped substance abuse. FaHCSIA officers also report reduced recidivism by individuals who have participated in the program.

The longer term outcomes will start to be measured through longitudinal evaluations of past participants which FaHCSIA advises are due to commence in early 2010.

While there are short and long term benefits for the individual participants in the *Indigenous Leadership Program*, FaHCSIA notes that there are also benefits for participants' families and broader communities through the leadership activities that each participant is required to undertake as part of the program. These activities provide a tangible opportunity for participants to put into action their learnings from the program. Some of these activities have resulted in the creation of Indigenous jobs for local communities, the linking of young Indigenous prisoners back to their communities, safer community programs and programs for connecting and working with youth.

As the *Indigenous Leadership Program* has evolved, so has the demand for more national workshops and more targeted workshops for individual communities and regions. The Review notes that program has been included as a key element in some *Regional Partnership Agreements*.

FaHCSIA has also partnered with other departments and organisations in tailoring and delivering the program, such as the *Defence Force Indigenous Pre- Recruitment Program*. The *Indigenous Leadership Program* is delivered as part of this eight week program. Feedback from the Department of Defence is that as a consequence of *Indigenous Leadership Program* being incorporated into their program, they have had the highest number of Indigenous recruits successfully complete their pre-recruitment program and go on to being recruited into the Forces.

The philosophy and methodology behind the program has also been used to underpin the Government's efforts to 're-set' the relationship with Indigenous Australians. This was done initially when the NTER was announced and a number of workshops were held in the Northern Territory to work with the prescribed communities to understand not only the

various components of the NTER, but also to help communities to start to map out what it is they can do to make a difference and to get the best outcomes for themselves under the circumstances.

Since 2004, approximately 5,000 participants have taken part in the *Indigenous Leadership Program*. The current budget for the FaHCSIA leadership and engagement programs is \$10.1 million in 2009-10, with \$6 million used annually for delivering the *Indigenous Leadership Program* and \$4 million available each year for the *Indigenous Women's Program*, a grants based program for Indigenous women's organisations (see below for details). The cost of the leadership program per participant is estimated by FaHCSIA officers at between \$1500 and \$3000.

The Morgan Disney and Associates Report, *Respecting Past Achievements and Learning for Change* (December 2009) has recognised that investment in Indigenous leadership training is crucial. It has also been recognised that improving leadership and governance in Indigenous communities is the key to making a sustainable difference in those communities, including achieving the COAG *Closing the Gap* targets.

On 3 February, the Minister for Families, Housing, Community Services and Indigenous Affairs announced that to promote Indigenous leadership, the Government will be running more than 50 leadership development workshops over the next six months to foster stronger relationships with hundreds of Aboriginal and Torres Strait Islander people.²⁰¹

Notwithstanding the preceding positive assessments, in its draft performance audit of the *Indigenous Leadership Program*²⁰², the Office of Evaluation and Audit (OEA) was of the view that,

...in the absence of a monitoring and evaluation framework FaHCSIA was unable to demonstrate that the program has actually improved participants' leadership capacity and resulted in the establishment of effective community engagement arrangements. Participants, communities and the government would benefit from stronger links between the government and participants throughout the delivery of the program and following completion.

The OEA also considered that there had been

*...a significant increase in the number of participants at the expense of a targeted program approach, high levels of individual support and the delivery of defined benefits to participants, their communities and to the government.*²⁰³

The OEA draft performance audit recommendations suggested that there be consideration of a more targeted approach to participation, the development of key planning documents

²⁰¹ Minister for Families, Housing, Community Services and Indigenous Affairs, Media Release, *Local Indigenous Leaders Front and Centre in Closing the Gap*, 3 February 2010.

²⁰² Office of Evaluation and Audit, *Performance Audit of the Indigenous Leadership Program*, Draft Discussion Paper, Canberra, 2009.

²⁰³ *ibid.*, p. 8.

for the program (including a program logic, monitoring and evaluation framework) and the development of a forward work plan.²⁰⁴

The Review have been advised the *Indigenous Leadership Program* is currently demand driven, with any Indigenous people able to apply and no specific selection process in place. The Program does not have a cap on numbers and attempts to accommodate all people who register. As the OEA noted in their report, FaHCSIA staff consistently defined the target population for the Program as *'those Indigenous persons who would not normally have the opportunity to attend this type of program'*.

In response to the draft audit comments, FaHCSIA advised the OEA that the basis of the *Indigenous Leadership Program* workshops is *'transformational leadership'*. The majority of people are in formal or informal leadership roles whether in the family, in the community or in the workplace. Therefore, *'there is an equal likelihood of all people having the capacity to develop as leaders and to operate in positions where they can provide leadership'*. This reinforces the program documentation which states, *'that the program targets existing and emerging leaders who are already making a difference in their communities.'*

On balance, the Review favours a more targeted approach for this program and takes up this approach further below.

Indigenous Women's Program

Activities funded through grants under this program aim to reduce Indigenous disadvantage through enhancing Indigenous women's leadership, representation, safety, wellbeing and economic status. The activities that can be grant-funded may include activities that:

- support more women to undertake leadership, representative and management roles;
- increase Indigenous women's awareness of, access to, and role in local priority setting and Government funding activities;
- address issues identified by Indigenous women as priorities in their communities;
- strengthen women's networks and organisations; and
- support Indigenous women's cultural traditions.

Submissions for grants under the *Indigenous Women's Program* are sought through the e-Sub process and allocated by the FaHCSIA State Offices and Indigenous Coordination Centres, based on local priorities. While the majority of the grants are fairly small, FaHCSIA officers responsible for the program are of the view that they are critical in making a difference in many communities. The demand for funding under this program has historically been four to five times greater than the budget allocated.

In its draft performance audit of the *Indigenous Leadership Program*, the OEA concluded that while *Indigenous Women's Program* grants were small, they were highly valued by their recipients. The OEA also found that the national office of FaHCSIA has little or no oversight or involvement in the allocation or administration of the funds, or in monitoring the outcomes of the funded projects. The OEA were concerned that there was a lack of communication between national office and the state offices of FaHCSIA about this

²⁰⁴ *ibid.*, p. 9.

program, very little monitoring of the outcomes of the individual grants and little or no direct contact with recipients of the grants.²⁰⁵

Office of the Registrar of Indigenous Corporations governance training

Office of the Registrar of Indigenous Corporations (ORIC) delivers, primarily through contractors, a suite of corporate governance training programs to Indigenous corporations registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). The training is also available to groups and organisations that want to register under the CATSI Act.

The objective of the training provided by ORIC is to strengthen the governance capacity of members, directors and staff of Indigenous corporations, thus contributing to the long-term viability of these corporations and communities. ORIC has also established training partnerships with state and territory governments with the aim of developing a coordinated and consistent approach to the delivery of corporate governance training to Indigenous corporations across Australia.

ORIC also provides or arranges accredited and non-accredited training in organisational and business governance and also runs a course specifically designed for corporations managing remote Indigenous community stores. Around 200 days of training was delivered by ORIC in 2008-09 at a cost of \$2.2 million with a participant satisfaction rating of 93 per cent.²⁰⁶

The Registrar has expressed the view²⁰⁷ that the Commonwealth's approach to Indigenous corporate governance training was uncoordinated, in contrast to the approach by most States. The Registrar noted that ORIC operated in partnership with State and Territory governments (other than Tasmania or Queensland) under Memoranda of Understanding (MoU), jointly providing corporate governance training, both non-accredited and accredited. The first such MoU was concluded with Victoria in 2005.

The Registrar advised that in his opinion, Commonwealth agencies tended to operate independently of each other regarding the provision of governance training. He noted that the Indigenous Land Corporation, Australian Securities and Investments Commission (ASIC), DEEWR, DoHA, the Attorney-General's Department and Indigenous Business Australia, for example, all fund Indigenous corporate governance training – without necessarily coordinating either the timing or the content of that training. According to the Registrar, the coordinated approach in relevant States was achieved through State Cabinet decisions that all such training should be through the same model. The model used, *'Managing in Two Worlds'*, was developed by the Aboriginal and Torres Strait Islander Commission (ATSIC) and remained the intellectual property of the Commonwealth. It provides generic corporate governance training, not specifically for organizations incorporated under Commonwealth legislation.

²⁰⁵ *ibid.*, pg. 9.

²⁰⁶ Information and data provided by ORIC 14 December 2009.

²⁰⁷ Meeting with ORIC, 3 December 2009.

Other governance and leadership programs

On the evidence available to the Review, it would seem that most of the Commonwealth government program activity is focused on building leadership capabilities of individuals, rather than focusing on whole communities and the particular governance issues they face. Another concern is that the Review was unable to find any evidence of a longitudinal evaluation of the impact of the government's leadership programs on broader community governance.

More broadly, the Review is aware that many agencies run governance and leadership programs or provide funding for governance and leadership programs as part of their grant funding to Indigenous communities or Indigenous community organisations. In this regard, the Coordinator-General made the criticism in his November 2009 report that currently agencies deliver *'fragmented and one off leadership and governance training and support which envisages program rather community accountability and ignores the multiple roles individuals may have in a remote community'*²⁰⁸.

However, since these activities are not specifically identified in generally available documentation, it has not been feasible for the Review to examine the suitability or effectiveness of these activities.

Whole-Of-Government approach to building governance and leadership capabilities

The Review considers that the current piecemeal and uncoordinated approach to governments working with Indigenous communities have been less successful than hoped because there has been a lack of a shared vision across governments on how to work with Indigenous people and communities in developing and delivering programs and training focused on Indigenous leadership, governance and capacity building.

There is a critical need to improve standards of governance and leadership in many Indigenous communities and organisations; equally, there is an urgent need to improve the quality, availability and accessibility of government services and programs directed to this purpose. This applies to Indigenous communities and organisations located in urban and regional Australia as well as to communities and organisations in remote locations.

RECOMMENDATION

- 60.** There is a critical need to improve standards of governance and leadership in many Indigenous communities and organisations; equally, there is an urgent need to improve the quality, availability and accessibility of government services and programs directed to this purpose.

²⁰⁸ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 103.

One of the challenges is identifying a range of suitable governance and decision making models that effectively balances the variety of Indigenous governance styles with governments' responsibilities for properly managing public funds. In determining that balance, the governance approaches chosen should be designed to empower Indigenous people and communities, including equipping them with relevant skills, so that they can progressively take meaningful control of their futures.

Therefore, the Review proposes that the point has now been reached where it is essential that a genuinely whole-of-government approach needs to be established to provide training and advisory services to build governance and leadership capabilities.

RECOMMENDATION

- 61.** Consistent with the approach proposed in Recommendation 42, a whole-of-government program should be established to provide training and advisory services to build governance and leadership capabilities. The program should:
- 61.1.** be managed by FaHCSIA in partnership with DEEWR and DoHA. There should also be involvement of the States and Territories who have a significant role in this area (noting that most have already established partnerships for corporate governance training with ORIC);
 - 61.2.** subsume FaHCSIA's *Indigenous Leadership Program* and ORIC's *Capacity Development Program* (governance training component) with ongoing resourcing of those program elements reflecting overall program priorities;
 - 61.3.** recognise that there would be four training and advisory service strands covering: personal leadership development; community governance; Indigenous organisations; and Indigenous businesses. The training and advice to be provided should cater for the diverse needs of the individuals, communities and organisations drawing on these resources;
 - 61.4.** have regard for current availability of accredited and non-accredited courses and training providers including those auspiced by State and Territory governments;
 - 61.5.** use training and advisory services provided by a panel of trainers and registered training providers, combined with in-house provision where warranted;
 - 61.6.** be resourced from the provision made for this purpose in current ORIC and FaHCSIA appropriations with supplementary contributions from DEEWR and DoHA and possible supplementation from resources freed up as a result of this Review. Agencies would continue to be responsible for resourcing any program-specific training; and
 - 61.7.** note that the Remote Service Delivery Local Implementation Plans should provide useful information on governance and leadership training needs in the priority communities.

A shift in emphasis from 'problem-centred' to 'strengths-based' approaches, which engage Indigenous people in changing behaviour at the individual, organisational and systemic level, is considered to have the best potential to achieve sustained and genuine change in

life outcomes. This shift involves a stronger focus on capacity building and capability development to ensure individuals, organisations, and communities can make the most of the choices and opportunities available to them to change their circumstances.²⁰⁹

To quote Morgan and Disney,

*...authority to act and to make decisions and change at the local level are essential for government leaders charged with implementing change. This is required of all government agencies at all levels. No single agency alone can change the life outcomes for Indigenous communities. All Commonwealth and State/Territory agencies must attend to this issue: working together.*²¹⁰

Therefore, the Review proposes that there is a need for a coordinated and enhanced approach across governments to the provision of training and advisory services for Indigenous people who wish to build their governance and leadership capabilities. The needs are diverse. For some individuals, the challenge is to effectively take on leadership roles within their family or community. For others that need will centre around their responsibilities to run community organisations or to establish or operate Indigenous businesses.

For many individuals and organisations, the need is for basic training in the fundamental concepts and ideas around governance and leadership. Others need and will be seeking more advanced courses and advice on governance and leadership.

It is the strong view of the Review that bringing the provision of training and advisory services to build governance and leadership capabilities together will not only lead to an overall improvement in the range, capacity and quality of training and advisory services offered to Indigenous people but will also be much more cost-effective than the current arrangements.

Consistent with the approach to Indigenous training and advisory services discussed in Chapter 5.5: Economic Participation, a whole-of-government program should be established to provide training and advisory services to build governance and leadership capabilities.

Given the role of FaHCSIA as a whole-of-government coordinator for the delivery of Indigenous programs, the Review proposes that program should be managed by FaHCSIA. Because FaHCSIA, DEEWR and DoHA manage most of Indigenous specific programs, it is proposed that FaHCSIA work closely with DEEWR and DoHA in the development and implementation of the whole of government program. It is also suggested that State and Territory government agencies that have a significant role in this area should also be involved. In this regard, the Review notes that most States and Territories have already established partnerships for corporate governance training with ORIC.

²⁰⁹ See discussion on this topic in the Morgan Disney and Associates Report, *Respecting Past Achievements and Learning for Change*, December 2009.

²¹⁰ *ibid.*, pg 5.

The Review proposes that there would be four training and advisory service strands in the whole of government program. These would cover: personal leadership development; community governance; Indigenous organisations; and Indigenous businesses. The training and advice to be provided should cater for the diverse needs of the individuals, communities and organisations drawing on these resources.

The Review acknowledges the reported positive results achieved under the *Indigenous Leadership Program* and through the range of ORIC capacity development programs. However, these programs cannot operate in isolation from the broader objectives laid out in the COAG *Closing the Gap* framework relating to leadership and governance. Therefore, the Review suggests that these programs be subsumed and aligned within the proposed whole of government approach to the provision of training and advisory services.

In this regard, the Review proposes that the focus of the *Indigenous Leadership Program* be modified to target Indigenous men, women and youth who are regarded as emerging or current leaders. This revised approach would take the place of the current open and self-selecting approach to participation by Indigenous people in the *Indigenous Leadership Program* and would help free up resources to contribute to a wider program.

The focus of ORIC's training activities should remain on corporate governance, and ORIC's activities subsumed and aligned with the wider initiatives discussed in the Review report by offering its support and services to the strengthening of leadership skills beyond those Indigenous people working in organisations registered with ORIC (as is already occurring under the current partnerships ORIC has with some state governments).

The Review suggests that in taking on the role of managing a whole of government approach to the provision of training and advisory services, FaHCSIA should have regard to the current availability of accredited and non-accredited courses and providers including those being used by Commonwealth agencies and by State and Territory governments.

The Review notes that it would be expected that the majority of training and advisory services would be provided by a nominated panel of trainers and registered training organisations. However, this should not preclude the provision of in-house training programs and services where this can be delivered cost effectively.

Funding for the establishment and operation of the proposed panel should be resourced from the provision made for this purpose in current ORIC and FaHCSIA appropriations (including accessing RSD strategy funds that were allocated in the Budget for governance purposes) with supplementary contributions from DEEWR and DoHA and possible supplementation from resources freed up as a result of this Review.

In this regard, it is noted that the *National Partnership Agreement on Remote Service Delivery* included \$201.8 million for the reform of all levels of governance, of which \$67.7 million was the '*building community governance and leadership capacity*'. However, it is recognised that almost all of this funding has been used to put in place the internal government infrastructure supporting the RSD strategy, such as the establishment and operation of Regional Operation Centres, the establishment of the Coordinator-General and his Office and Government Business Managers and Indigenous Engagement Officers.

Nevertheless, the Review notes the expectation that each of the 29 LIPs that are being finalised as part of the implementation of the RSD strategy will include proposals for governance and leadership training. It will be important that the governance and leadership training proposals (and associated funding) to be included in the LIPs are incorporated into the whole-of-government approach to the provision of training advisory services.

The Review recognises that there will still be a need for agencies to provide specialist or program specific training over and above the general training and advisory services proposed to be covered by the whole of government panel. Therefore, the Review proposes that agencies should continue to have responsibility for the specialist training requirements and funding for that purpose be excluded from the levy calculations.

Encouraging Indigenous organisations to register with ORIC

ORIC advised the Review that currently 2,317 Indigenous organizations are incorporated under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). The total number of incorporated Indigenous organisations is estimated by ORIC to be between 6,000 and 9,000, although other agencies consider the number to be much larger. However, any count of Indigenous organisations should be treated with some caution, as many may still exist on paper but are inactive. Of the active Indigenous organisations, they can be broadly categorised into four types of organisations: landholding bodies; service providers; advocacy and representative groups; and business enterprises.

In some cases the capability of Indigenous organisations can be enhanced by requiring ORIC registration as a condition of Commonwealth funding. This would be consistent with the broader policy direction being pursued in relation to community stores (the proposed licensing policy/legislation will require stores to apply for ORIC registration – there are other eligibility requirements which will effect whether they can be registered) and through the Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA).

Registration with ORIC brings organisations under the CATSI Act which is designed to ensure that these organisations have a governance structure that is appropriate for the nature of the business. This provides a range of benefits including:

- governance training and assurance for funded organisations, including case managed work with organisations to build their governance capacity; and
- powers for early intervention to remedy problems, including special administration.

Special administration enables the Registrar to provide early proactive regulatory assistance when a corporation experiences governance or financial difficulties. Unlike receivership, voluntary administration or liquidation, special administration is not driven by the creditors and focuses on the best interests of the corporation, protecting public funding, and ensuring the maintenance of essential services such as remote stores. The aim of special administration is to restore good operational order to the corporation, improve governance and the financial position of the corporation and build the capacity of the members and future directors to run the corporation effectively.

There are alternatives to mandating that all Indigenous community and business organisations be registered with ORIC. Many will choose to register as companies under the

supervision of ASIC and some will be linked with NGOs with their own governance arrangements, which in some cases includes legislation.

On this basis, the Review considers that the Commonwealth's approach should be to encourage Indigenous organisations to seek and gain coverage under the CATSI Act.

Indigenous organisations should continue to be encouraged to register with ORIC and ORIC should be maintained as a separate regulatory authority within the FaHCSIA portfolio.

Productivity Commission discussion about ORIC

In its October 2009 draft report on the Contribution of Not-For-Profit (NFP) Sector, the Productivity Commission proposes that a new Commonwealth organisation, the Registrar for Charitable and Community Purpose Organisations, be established to be the 'one stop shop' for NFPs for the consolidation of Commonwealth regulatory arrangements. *'This would offer NFPs the advantage of a one stop shop for tax endorsements, the submission of corporate and financial information, and possibly registration for national fundraising activities'*²¹¹. Under the Productivity Commission model, the Registrar for Community and Charitable Purpose Organisations would have the following functions:

- register and regulate Commonwealth incorporated associations, companies limited by guarantee, Indigenous corporations and, as appropriate, new legal forms for NFP organisations;
- register and endorse NFPs accessing Commonwealth tax concessions requiring endorsement;
- register cross jurisdictional fundraising NFPs;
- develop a national portal for the collection of corporate and financial public record information; and
- promote confidence and informed participation in the NFP sector through appropriate education and complaints handling.

The Registrar could be a separate agency under the *Financial Management and Accountability Act 1997*, or it could be an additional function required of ASIC, and the Commission welcomes participants' views on which would be preferable.

The Productivity Commission argues that there would be:

*value in transferring ORIC to the proposed new Commonwealth regulatory organisation to consolidate all Commonwealth NFP regulator activity under one agency, and provide for clearer independence. However, it is important for ORIC to maintain a separate identity within the new organisation because of its specialist skills and the knowledge of its staff. Over time, it can be expected that the work of this specialist division would become more mainstream.*²¹²

The Review does not favour the draft Productivity Commission recommendation, for the present. As the Productivity Commission notes, ORIC offers a range of specialist skills and

²¹¹ Productivity Commission, *Contribution of the Not-for-Profit Sector*, Draft Research report, 2009, p. 6.37.

²¹² *ibid.*, pg 6.37.

knowledge amongst staff on Indigenous corporate governance. In addition, ORIC has developed good working relationships with many Indigenous organisations. Unless appropriate governance structures could be assured, to include ORIC in a mainstream regulatory organisation would risk the breakdown important working relationships between ORIC and the numerous Indigenous organisations across Australia.

Therefore, the Review considers that ORIC should be maintained as a separate regulatory authority within the FaHCSIA portfolio.

RECOMMENDATION

- 62.** Indigenous organisations should continue to be encouraged to register with ORIC and ORIC should be maintained as a separate regulatory authority within the FaHCSIA portfolio.

Consultation with the National Congress of Australia's First Peoples

There should be a potentially significant role for the new National Congress of Australia's First Peoples in advising governments on strategies that can be taken to support Indigenous Australians to enhance their quality of life, community cohesion and wellbeing. The Review suggests that once the Congress is in place, there should be consultation with this new representative body on these shared issues and concerns.

RECOMMENDATION

- 63.** Advice should be sought from the National Congress of Australia's First Peoples, once established, on strategies for designing and delivering training and advisory services to build the governance and leadership capabilities of Indigenous individuals and organisations.

Support for stronger community governance in discreet remote communities

As has been pointed out earlier in this chapter, it is essential that a genuinely whole-of-government approach needs to be taken to improving the governance and leadership capability of Indigenous communities and organisations. While the Commonwealth Government has an important role to play in this regard, it is important that States and the Northern Territory also be effectively engaged in supporting and facilitating activities in this area.

The Review endorses the steps taken by Commonwealth agencies to work with the States and the Northern Territory to support stronger community governance.

However, with the recent moves by some States and the Northern Territory to put in place normalised local government arrangements in remote areas of their jurisdictions, there have been concerns raised that these arrangements could lead to the demise of existing

governance arrangements in Indigenous communities in regions now covered by local government administration.

There is still a strong need for Indigenous communities to improve their governance arrangements so that they can effectively work in partnership with all levels of government, including in negotiating the Local Implementation Plans with Commonwealth, State and Northern Territory governments.

Therefore, the Review suggests that Commonwealth agencies should take active steps through the RSD Boards of Management to work with the States and the Northern Territory to support stronger community governance in discrete remote communities, complementing the roll-out of normalised local government arrangements.

RECOMMENDATION

- 64.** Active steps should be taken to work with relevant States and the Northern Territory to support stronger community governance in discrete remote communities, complementing the roll-out of normalised local government arrangements.

Released under FOIA Act

CHAPTER 5.9: CULTURE, ARTS and HERITAGE

Indigenous Culture, Arts and Heritage programs are not directly aligned with any of the *COAG Closing the Gap* targets. Most of these programs nevertheless contribute indirectly towards achieving the targets, by providing employment opportunities and by the enhancements to individual self esteem that flow from cultural identification and recognition. Many of the programs also contribute to the cultural wealth of the wider Australian community.

The Culture, Arts and Heritage group consists of 24 programs across five portfolios and 14 different agencies, with a total estimated 2009-10 expenditure of \$111 million (three per cent of total Indigenous program expenditures). The largest program (\$30 million) is DEWHA's *Indigenous Culture* program. Only three other programs in this group involve expenditures of more than \$10 million in 2009-10 – the Australian Institute of Aboriginal and Torres Strait Islander Studies' *Collection Development and Management* program, DEWHA's *Indigenous Broadcasting Program* and DEWHA's *National Indigenous Television* (NITV) program. Nine programs are within independent non-Indigenous agencies.

Indigenous Culture Program

The program has three components - *National Arts and Crafts Industry Support* (NACIS), *Maintenance of Indigenous Languages and Records* (MILR) and *Indigenous Culture Support* (ICS).

The NACIS program objective is to help art centres become stronger and to build a more sustainable Indigenous visual arts industry. In 2008-09 NACIS provided \$8.23 million in grants for 87 activities. A recent OEA evaluation report²¹³ found that the program's administration arrangements were generally sound but recommended development of a program logic, review of the program's performance framework and greater targeting of funding. DEWHA agreed with qualification to those recommendations, pointing to changes that had already occurred since the evaluation was conducted.

At the time of the OEA evaluation, about 65 per cent of NACIS funding was for the salary costs of arts centre coordinators and staff. While it is arguable that the market growth for Indigenous art, both domestically and internationally, indicates that the sector as a whole may not require government subsidy, this is not necessarily the case for individual art centres. Further, many art centres operate in remote areas with few economic opportunities and government investments in those art centres can produce not only cultural but also significant economic benefit for those communities. Nevertheless, the requirement for on-going government assistance should be kept under review as the market for Indigenous art matures.

²¹³ Department of Finance and Deregulation Office of Evaluation and Audit, *Evaluation of the National Arts and Crafts Industry Support Program*, OEA, Canberra, 2009.

While a recent report, the actual evaluation was undertaken in 2007 when NACIS was administered by the then Department of Communications, Information Technology and the Arts. Responsibility for NACIS administration shifted to DEWHA in December 2007.

The MILR objectives are to support the maintenance of Aboriginal and Torres Strait Islander languages, increase the use of Indigenous languages in a range of fields and media, increase public appreciation of Indigenous languages and support the sustainable development of organisations working to support Indigenous languages. In 2008-09 MILR provided \$8.89 million in grants for 69 projects involving about 200 languages. It is expected to provide \$9.3 million in 2009-10 for 65 projects. A new national approach by the Australian Government to preserve Indigenous languages was announced on 9 August 2009 in a Joint Media Release by the Minister for Families, Housing, Community Services and Indigenous Affairs and the Minister for the Environment, Heritage and the Arts.²¹⁴ The MILR program is expected to play a major role in this approach to preserve Indigenous languages.

The ICS objectives are to maintain Indigenous culture through community involvement, support new forms of Indigenous cultural expression, increase public awareness of Indigenous culture and support the development of community organisations involved in cultural activities. In 2008-09 ICS provided \$6.93 million for 140 projects including cultural centres, teaching of cultural traditions across generations, cultural camps, dance and music festivals and multi-media productions.

This Review considers that assessment of the Indigenous Culture program, more so than any other Indigenous program, should be approached from an Indigenous perspective. The views of the National Congress of Australia's First Peoples, once established, should be sought.

In response to the NACIS program evaluation mentioned above, DEWHA agreed to develop documentation articulating the NACIS program logic. All three elements of the Indigenous Culture program involve broad objectives and competitive grants processes. It is particularly important in such circumstances that a robust and transparent performance framework apply.

One of the proposals included in the Single Indigenous Budget Submission (SIBS) is to extend the Business Skills for Visual Artists funding currently delivered through NACIS (\$1 million per annum) and roll it into the ongoing NACIS appropriation. There is potential for overlap between the Business Skills for Visual Artists activities and the wider business skills services provided by IBA and DEEWR. DEEWR's relevant services under the *Indigenous Employment Program* focus on getting clients ready for self employment or business while IBA's *Business Development and Assistance Program* focuses on getting clients into businesses and assisting those already in business. To avoid overlap with these programs and also to ensure that these programs contribute to the Indigenous visual arts industry, the Business Skills for Visual Artists program should focus on specialist training.

²¹⁴ The policy is available at www.arts.gov.au/indigenous/languages_policy

RECOMMENDATIONS

65. Culture, Arts and Heritage programs should be managed in a manner that promotes Indigenous identification with and active influence on those services that articulate and develop their sense of identity and culture.
66. Advice should be sought from the National Congress of Australia's First Peoples, once established, on the appropriateness of the current *Indigenous Culture* program, including the arts and language programs:
 - 66.1. DEWHA should ensure that there is a robust performance framework, that performance is regularly evaluated and that funding priorities are clearly articulated; and
 - 66.2. Management of the *Business Skills for Visual Artists* program (being considered in the SIBS context) should focus on specialised training that avoids duplication of the services provided by Indigenous Business Australia (IBA) and DEEWR.

The Cape York Welfare Reform Trial – DEWHA Arts and Culture positions

This program provides employment for eight Indigenous Australians in Cape York organisations that already receive funding under DEWHA's Indigenous arts or broadcasting programs. Various Australian and Queensland government agencies support the Welfare Reform Trial which has been largely driven by the Cape York Institute for Policy and Leadership.²¹⁵ The trial began on 1 July 2008 and will run until 1 January 2012. An evaluation framework is in place. This Review considers that DEWHA's contribution to the Welfare Reform Trial should continue.

Indigenous Heritage Program

The objective of the *Indigenous Heritage Program* (IHP) is to support the identification, conservation and promotion of the Indigenous heritage values of places important to Aboriginal and Torres Strait Islander people. It is an annual competitive grants program that funds about 50 organisations each year. Administered expenditure in 2008-09 was \$3.576 million. DEWHA annual reports contain examples of activities funded.

A recent audit by the Office of Evaluation and Audit was aimed at assessing the efficiency and effectiveness of DEWHA's management of the IHP and forming an opinion about whether the IHP was meeting its objectives. The December 2009 report of that audit concluded that the IHP is achieving its stated outcomes and that it appears that the program is accruing some broader unanticipated social and economic benefits for Indigenous communities, such as improved health outcomes and economic participation. It also concluded that program delivery is supported by well established and sound policies and procedures, though pointed to areas where efficiency gains could be made.

This Review considers that the Indigenous Heritage Program should continue.

²¹⁵ Cape York Institute, Cairns, 2007, <<http://www.cyi.org.au/welfarereform.aspx>>.

Return of Indigenous Cultural Property program (DEWHA) and Repatriation program (FaHCSIA)

Both these programs support similar activities. FaHCSIA's *Repatriation* program covers the return of Indigenous skeletal remains from overseas institutions. DEWHA's *Return of Indigenous Cultural Property* (RICP) program covers the return of Indigenous skeletal remains and cultural objects from Australian institutions. Merging the two programs would lessen program implementation and coordination difficulties and is expected to give rise to small savings in departmental expenses. Merger within DEWHA rather than FaHCSIA is favoured because the RICP program is a joint Commonwealth State initiative of the Cultural Ministers Council and because of that portfolio's wider connections with museums and similar institutions. The RICP program is funded equally by the Australian government and the State and NT governments whereas FaHCSIA's *Repatriation* program is funded by the Australian government only. It is not intended that the States or the NT be asked for greater financial contribution because of the proposed merger.

The RICP objectives are: Objective 1 - Identification of the origins of all ancestral remains and secret sacred objects held in Australian museums; Objective 2 - Notification to all communities who have ancestral remains and secret sacred objects held in Australian museums; Objective 3 - Appropriate storage of ancestral remains and secret sacred objects being held in museums at the request of the relevant community; Objective 4 - Arrangements for repatriation where and when it is requested. Estimated departmental expenditure in 2009-10 is \$2.136 million. Estimated administered expenditure is not available.

FaHCSIA's *Repatriation* program provides funds to facilitate the efficient return to Indigenous communities of all Indigenous ancestral remains held in collections overseas, to assist communities re-bury their ancestral remains and to organise holding unprovenanced remains returned from overseas until their provenance is known and communities can organise their return to country. Six staff were employed on the program in 2009-10 and estimated administered expenditure in 2009-10 is \$0.568 million. A review of the *Repatriation* program is currently underway.

An issue that will need to be addressed within a consolidated program is the extent to which it will pursue the return of secret sacred objects from overseas institutions. The return of such objects from domestic institutions is within the scope of the RICP program but FaHCSIA's international *Repatriation* program has been concerned only with skeletal remains. Sensitivities surround this issue, both from an Indigenous perspective and from the perspective of nations and institutions that hold objects of cultural significance that originated elsewhere, including antiquities. This Review is not well placed to weigh those sensitivities. While we would expect that a consolidated program would include repatriation of Indigenous secret sacred objects from overseas, we regard the vigour of that pursuit as a matter for the portfolio to decide.

RECOMMENDATION

67. FaHCSIA's *Repatriation* of Indigenous remains program should be transferred to DEWHA and be consolidated with the *Return of Indigenous Cultural Property* program in DEWHA.

Indigenous Broadcasting Program

The objective of the Indigenous Broadcasting Program (IBP) program is 'to help Indigenous broadcasters become stronger and build a more sustainable Indigenous broadcasting sector'. In 2009-10, 59 projects were approved for funding. A further 14 projects have been approved under the IBP contingency fund this financial year for high priority broadcast equipment upgrades and replacement. The IBP is expected to provide \$14.588 million to support over 115 Indigenous community broadcasting services in metropolitan, regional and remote Australia. The largest grant is to Imparja Television, the Alice Springs based Indigenous owned commercial TV service which will receive \$2 million. Most funding goes to regional and urban broadcasters. Most grants are annual but five organisations now receive triennial funding. Two peak bodies are funded - \$0.379 million for a national peak body based in the ACT and \$0.144 million for a remote peak body based in Alice Springs.

Most IBP funding for remote broadcasters is by way of grants to Remote Indigenous Media Organisations (RIMOs) which provide technical support and training for Remote Indigenous Broadcasting Services (RIBS) on a regional basis. 2009-10 announced grants for RIMOs total \$2.6 million whereas announced grants for RIBS total \$0.7 million. Over half the licensed RIBS receive no direct funding from the IBP.

Potential audience reach for broadcasters funded through IBP is over 11 million people, mainly in metropolitan Sydney, Melbourne, Brisbane and Perth. Data on actual audiences are unavailable, which this Review considers a deficiency in assessing value for money expended by the program. Potential audience reach for remote Indigenous community broadcasting services funded through IBP is approximately 151,000 people.

The IBP's key performance indicators and targets are the '*number of broadcasting projects funded, efficient and timely administration of funding agreements and reporting, and extent of achievement of the program against stated objectives*'.

National Indigenous Television (NITV) is funded separately from the IBP and is the subject of a separate New Policy Proposal in the SIBS.

A May 2007 report on the review of the *Indigenous Broadcasting Program* contained no recommendations but much material drawn from the submissions it had received. Its conclusion included the following:

The Indigenous broadcasting sector is unique, dynamic and creative. It provides a diverse range of culturally appropriate and authentic content to Indigenous as well as non-Indigenous audiences across the country. It is a key mechanism for retaining traditional culture and language in Indigenous communities and for

conveying important health, education, emergency service and other information.

As with many other submission based grants programs, the IBP's advantage of responsiveness to applicant's needs is accompanied by the potential disadvantages of lack of focus and of client capture. Different client groups have different priorities. The current mix of those client priorities may not necessarily match the government's own longer term priorities. This Review is concerned that it may fall to the IBP, as the most closely related Indigenous program, to meet some or all of the costs associated with the transition to digital TV broadcasting by 2013. This Review is unaware of any funding having yet been allocated by DEWHA for this purpose. The IBP would be better able to respond to such pressure if its performance framework were seen to be stronger.

This Review would like to see greater clarity in the way in which it is intended that the IBP contributes to the *Closing the Gap* targets. DEWHA points to the IBP supporting the COAG building blocks of economic participation (employment of Indigenous Australians) and safe communities.

According to survey results of the Community Broadcasting Foundation (CBF) for the 2005-06 financial year, the community broadcasting sector is essentially self funding. Government grants (excluding IBP grants to Indigenous stations) accounted for only 14 per cent of total revenue.²¹⁶ Indigenous broadcasters are much more heavily dependent on government funding than are others in the community broadcasting sector. IBP average funding for regional radio stations ranges from 39 per cent to 80 per cent of the estimated average cost of running such stations.²¹⁷ DEWHA notes that

the majority of community broadcasters are located in metropolitan areas. They have greater opportunities to access sponsorship dollars and secure other revenue. The opposite is the case with Indigenous broadcasters who are located in regional and remote areas where the sponsorship dollars are more difficult to source.

While accepting this limitation, this Review nevertheless considers that particularly for Indigenous broadcasters in Sydney, Melbourne, Brisbane and the larger Regional centers, it is reasonable to aim for a better balance between IBP funding and broader sponsorship. Indeed, the availability of grant funding based on need may be reducing the incentive to obtain sponsorship.

²¹⁶ Community Broadcasting Foundation, Fitzroy, 2010, viewed 29 January 2010, <www.cbf.com.au/content/templates/sector.asp?articleid=66&zoneid=13>.

²¹⁷ Convergent Consulting Pty Ltd report 'Research into the costs of providing Indigenous community broadcasting Services in urban, regional and remote areas', November 2007, (copy provided to this Review by DEWHA) classified broadcasters as basic, intermediate or advanced – depending largely on the hours of live local content. The consultancy report identified annual operational costs for each category. The 39 per cent and 80 per cent figures are the average operational grant for 'basic' and 'intermediate' regional stations (as advised by DEWHA) expressed as a percentage of annual operational costs for that category, as identified in the consultancy report. They do not take into account any increase in operational costs since 2007 and are likely, therefore, to slightly overstate the reliance on government funding.

Another consideration raised by DEWHA is the expectation created by the Australian Communications and Media Authority issuing additional licenses to Indigenous broadcasters and the burden this placed on the IBP because the new license holders then became eligible to apply for IBP funding. Although sympathetic to the difficulty this imposes on IBP program managers, this Review sees clear distinction between an entitlement and an eligibility to apply. The IBP is not an entitlement program. Similarly, this Review does not consider that Indigenous broadcasters already funded under the IBP are entitled to funding levels that fully cover benchmarked operational costs. It is desirable that there be clear criteria for setting funding priorities.

It has been suggested to this Review that the IBP should be consolidated into the *Indigenous Culture Program*. We do not consider this appropriate, at least for the time being. The possible call on the IBP to support conversion to digital TV and a greater emphasis on the IBP's performance framework would be more easily managed with the IBP continuing as a separate visible entity.

Australian Government agencies are not taking full advantage of the concentration of Indigenous audiences that Indigenous broadcasters can provide. Greater use of Indigenous broadcasters for health promotion and other campaigns targeted specifically at Indigenous audiences offers not only the potential for enhanced effectiveness of those campaigns but also an increased revenue source for Indigenous broadcasters. The *Broadcasting Services Act 1992* prohibits the broadcasting of advertisements by the holders of community broadcasting licenses but sponsorship announcements of up to five minutes per hour (seven minutes per hour in the case of community television broadcasting licensees) are permitted. Coordination of broadcasters willing to participate in such sponsorship, and then marketing this facility to government, is an opportunity more for the peak Indigenous broadcasting bodies than for DEWHA itself. Active involvement by DEWHA, however, could assist the peak Indigenous broadcasting bodies.

National Indigenous Television

National Indigenous Television (NITV) was funded to strengthen Indigenous TV and make a positive contribution to cultural maintenance, to make a positive contribution to Indigenous notions of identity and to enable Indigenous culture to be represented in a more positive light to Indigenous and non-Indigenous people. It was a 2006 Budget measure, under the Connect Australia: Backing Indigenous Ability, and established as a terminating program (2006-07 to 2009-10). Estimated expenditure in 2009-10 is \$15.235 million administered expenses and \$0.204 million departmental expenses. A proposal to continue NITV's operations for a further six months while undertaking a national review of the Indigenous Broadcasting and Media Sector is expected to be included in the SIBS.

As with other programs in the Culture Arts and Heritage group, there is no direct alignment towards meeting any of the COAG Closing the Gap targets, but indirect contribution towards meeting those targets.

RECOMMENDATION

- 68.** In respect of communications activities:
- 68.1.** note that in the context of funding for *National Indigenous Television*, a national review of the Indigenous Broadcasting and Media Sector has recently been proposed;
 - 68.2.** note the Review's opinion that the *Indigenous Broadcasting Program* could be more tightly managed and that the terms of reference for the proposed review of the Indigenous Broadcasting and Media Sector should include the adequacy of the *Indigenous Broadcasting Programs'* performance framework and have regard to the related matters raised by this Indigenous Expenditure Review;
 - 68.3.** government agencies should be encouraged to make better use of the Indigenous community broadcasting network on a full cost recovery basis;
 - 68.4.** DEWHA should encourage Indigenous broadcasters and their peak bodies to research and promote their capabilities as platforms for government communication activities; and
 - 68.5.** DEWHA, in consultation with DBCDE, should give urgent consideration to possible means of resourcing the substantial cost involved in the switch to digital TV broadcasting for some Indigenous broadcasters.

Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)

AIATSIS' functions are set out in Part 3, Section 5, of the *Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989*, and include:

- *to undertake and promote Aboriginal and Torres Strait Islander studies;*
- *to publish the results of Aboriginal and Torres Strait Islander studies and to assist in the publication of the results of such studies;*
- *to conduct research in fields relevant to Aboriginal and Torres Strait Islander studies and to encourage other people or bodies to conduct such research;*
- *to assist in training people, particularly Aboriginal people and Torres Strait Islanders, as research workers in fields relevant to Aboriginal and Torres Strait Islander studies;*
- *to establish and maintain a cultural resource collection consisting of materials relating to Aboriginal and Torres Strait Islander studies; and*
- *to encourage understanding, in the general community, of Aboriginal and Torres Strait Islander societies.*

The three programs operated by AIATSIS (and their 2009-10 estimated expenditures) are *Collection Development and Management* (\$10.995 million), *Dissemination of Information* (\$1.125 million) and *Research* (\$3.849 million).

AIATSIS is within the Innovation, Industry, Science and Research portfolio. Its two previous portfolio homes were the then Education, Science and Technology portfolio and the then Immigration, Multicultural and Indigenous Affairs portfolio.

Matters raised by AIATSIS during consultations with the Review team included the inefficiency of annual rather than multi-year contract negotiations with other government

agencies, AIATSIS' view that its research capacity was under-utilised by Government and its view that the SIBS process disadvantaged AIATSIS by requiring that its new policy bids be considered in the context of other high profile Indigenous spending proposals rather than in the context of proposals for research spending. The time and resources available to this Review did not permit us to examine these issues in sufficient depth to justify formal recommendations about them.

Perhaps in part because AIATSIS has been moved fairly frequently from one portfolio to another, no in-depth independent review of AIATSIS has taken place for over a decade. AIATSIS' governance arrangements were reviewed by DEST in 2006 as part of the response to the Uhrig review of the corporate governance of Commonwealth statutory authorities but a detailed review, with terms of reference decided jointly with the AIATSIS Board, seems desirable. It had been proposed that the Office of Evaluation and Audit (OEA) would undertake such a review but OEA functions were transferred to the Australian National Audit Office on 14 December 2009 and such a review would not fit the narrower role of the Audit Office.

Completion of a review by September 2010 would allow a response to review recommendations to be considered in processes for the 2011-12 SIBS, if Ministers considered that desirable. A September 2010 deadline, however, may be unrealistic. A September 2011 timeframe allows for consideration in 2012-13 SIBS processes, if required.

The proposed review would need to progress in tandem with the feasibility study into a National Indigenous Knowledge Centre.

RECOMMENDATION

- 69.** The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) should be subject to independent review under terms of reference to be decided jointly by DIISR and the AIATSIS Board. The review should be completed by September 2011.

CHAPTER 5.10: NATIVE TITLE AND LAND RIGHTS

Native title programs are not directly aligned with any of the COAG *Closing the Gap* targets. Recognition of native title rights, however, provides a basis for Indigenous Land Use Agreements (ILUAs) that may contribute towards achieving those targets, particularly the employment target. ILUAs are integral to negotiated settlements of native title claims.

The average time taken to finalise a native title claim is about seven years when litigated and about six years where the application is by consent. As at 30 June 2009, 122 determinations of native title had been made under the *Native Title Act 1993*. About 450 unresolved claims remain in the system and the Commonwealth is a party to about 150 of these.

2009-10 Commonwealth expenditure on the native title system is estimated at \$137 million. Some \$10 million of this is legal assistance for native title claim respondents and \$127 million is for Indigenous programs. These Indigenous programs are:

- FaHCSIA's *Native Title and Land Rights* program, which funds native title representative bodies and native title service providers that assist claimants pursue claims - \$77 million;
- The National Native Title Tribunal - \$30 million;
- Federal Court's Native Title activities - \$10 million;
- Attorney-General's Department Native Title unit - \$7 million²¹⁸;
- Torres Strait Regional Authority's *Native Title* program - \$2 million; and
- Defence's Indigenous Liaison Officers and Review into Indigenous Heritage Issues - \$1 million.

Expenditures by the Indigenous Land Corporation (ILC), which receives income from the Aboriginal and Torres Strait Islander Land Account, are not here considered to be native title programs. The ILC gives priority to training and employment outcomes and the ILC program has already been considered in the section of this report dealing with Economic Development programs.

The main objects of the Native Title Act are:

- to provide for the recognition and protection of native title;
- to establish ways in which future dealings affecting native title may proceed and to set standards for those dealings;
- to establish a mechanism for determining claims to native title; and
- to provide for, or permit, the validation of past acts, and intermediate period acts invalidated because of the existence of native title.

The current array of Commonwealth native title programs supports the achievement of these objectives, but the pace of achievement is slow. Greater use of negotiated rather than litigated claims settlements offers prospect of improvement and the review notes that

²¹⁸ A revised estimate of \$4.441 million was received on 23 February, too late to replace AGD's earlier estimate of \$6.793 million used in all relevant tabulations and analyses.

recent amendments to the Native Title Act included changes designed to encourage mediation of claims.

It has been estimated that it will take 30 years to resolve by litigation the native title claims currently in the system. If negotiated settlements allowed resolution within ten years, the long term saving in native title system administration costs could be in the order of \$2.5 billion. Earlier resolution of native title claims would also facilitate economic development on land now subject to claim, with benefits not only to claimants but also the wider community.

This Review endorses moves towards a Native Title National Partnership Agreement with its emphasis on negotiated settlements and Indigenous Land Use Agreements (ILUAs). Conclusion of a Native Title National Partnership Agreement, however, is dependent on Commonwealth financial contribution. Because the benefits that would accrue to Indigenous (and other) Australians from yet to be negotiated ILUAs are necessarily uncertain, there is insufficient basis for us to recommend a redirection of existing Indigenous program funds in order to support such a Partnership Agreement. This Review nevertheless considers that the emphasis on encouraging negotiated settlement of native title claims should be progressed as a matter of priority. In many regional and remote locations, the resolution of native title claims is a critical precursor to successful community and economic development.

The approach envisaged under a Native Title National Partnership Agreement is that the Commonwealth would make payments to the States to cover a percentage of their costs incurred in concluding and implementing settlement deals that included resolution of all native title issues. Such payments would replace the Commonwealth's longstanding (but as yet unaccepted) offer to meet 75 per cent of State and Territory native title compensation liability.

Division of Administrative and Policy Responsibilities between FaHCSIA and AGD

The appropriateness of the current division of responsibilities for native title was a matter raised in consultations during the course of this Review.

The Attorney-General administers the *Native Title Act 1993*, with the exception of those parts of the Act that deal with representative bodies and with prescribed bodies corporate and holdings of native title in trust. Those parts of the Act (Part 11 and Division 6 of Part 2) are administered by the Minister for Families, Housing, Community Services and Indigenous Affairs. Responsibility for funding native title representative bodies and other native title service providers thus rests with FaHCSIA while the Attorney-General's Department has responsibility for the rest of the native title system.

The Australian Government is a party to about a quarter of the native title applications lodged with the Federal Court. Australian Government interests affected by native title claims include Defence landholdings, meteorological installations and offshore areas. Deciding the most appropriate Australian Government approach to those claims involves consideration of both Indigenous and other interests. The current division of administrative responsibilities reflects this 'central agency' function in relation to native title policy. It also

reflects the Attorney-General's wider responsibilities for the Federal Court, which is concerned not only with native title matters, and acknowledges that the National Native Title Tribunal (NNTT) operates as part of the legal system for both Indigenous and non-Indigenous Australians.

Because of their responsibilities for lands administration and the extent of State government interests in land, onshore native title claims generally have a greater impact on State governments than on the Australian Government. Australian government native title policy responsibilities thus require taking State government views and interests into account. At the officials level, the main formal mechanism for this is the Joint Working Group on Indigenous Land Settlements, established by Native Title Ministers in 2008 and comprising senior officials from all jurisdictions except Tasmania and the ACT (which have no active native title claims). AGD also chairs the Native Title Consultative Forum comprising representatives of several Australian government agencies, State, Territory and local governments, the Federal Court, the NNTT, native title representative bodies, the Human Rights and Equal Opportunity Commission, and pastoralist, mining, fishing and petroleum industries. Within the Australian Government, AGD chairs a Native Title Coordination Committee consisting of representatives of AGD, FaHCSIA, the Federal Court and the NNTT.

The case for shifting native title policy responsibilities from the Attorney-General's portfolio to the Families, Housing, Community Services and Indigenous Affairs portfolio is that a shift would align native policy responsibility,

with FaHCSIA's other responsibilities for Indigenous land issues and land rights policy, and its broad responsibility for Indigenous policy. Such an arrangement could reduce duplication and improve coordination and alignment with the key drivers for the Government's policy agenda. It could also help counter concerns that native title policy is legalistic and removed from the broader thrust of Indigenous policy. A change to the policy responsibilities within Government may of itself influence respondent parties' attitudes and encourage a more practical, settlement oriented approach.²¹⁹

This Review considers that because of linkages with other aspects of the law and justice system, current native title responsibilities for the Federal Court and the NNTT should remain with the Attorney-General. We also consider that claims management and policy responsibilities should not be separated.

Because of the need to take non-Indigenous interests as well as Indigenous interests properly into account, this Review favours native title policy and claims management responsibilities remaining with the Attorney-General. There is also some risk that if those responsibilities were exercised by the same Minister who decides funding for Indigenous representative bodies to help pursue native title claims, then notwithstanding the impartiality of that Minister and any 'Chinese walls' to separate activities within the Minister's department, that Minister would be perceived to have a conflict of interest.

²¹⁹ Department of Families, Housing, Community Services and Indigenous Affairs advice to the Review.

Because of the same risk of a perceived conflict of interest, this Review considers that funding for Indigenous representative bodies should remain the responsibility of FaHCSIA.

Land Rights

Land Rights normally refers to statutory rights including those established in the Northern Territory by the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA), long before native title was recognised in Australian law. The costs of that regime, largely the administrative expenses of the Aboriginal Land Councils that administer Aboriginal land in the NT, are met from the Aboriginals Benefit Account (ABA) which receives a special appropriation equivalent to royalty payments for mining on Aboriginal land. This Review does not regard payments either into or out of the ABA as constituting a program in the normal sense, except for those payments from the ABA under section 64(4) of the ALRA. Section 64(4) provides for such payments as the Minister directs, for the benefit of Aboriginals living in the Northern Territory. The purposes of those payments are wide ranging, not land rights related. For example, among the 18 grants announced on 19 November 2009 were two large projects – construction of an early childhood centre and construction of a youth and recreation precinct – that accounted for over half the \$9.4 million grants then announced. Because these discretionary grants can relate to any or all of the functional groupings used in this report, the ABA discretionary grant activity is considered among ‘other’ programs in the next section of this report.

Because it gives statutory basis to traditional ownership rights on Aboriginal land, and because most residents of large remote communities in the NT are not the traditional owners of that land, the NT land rights regime can be seen as a constraint to rapid implementation of government policies aimed at improving the circumstances of those communities. Unless intended as a gift solely for the traditional landowners, it is necessary to secure some subsidiary title over Aboriginal land before constructing housing or other facilities on that land. This can be a lengthy process, requiring case by case resolution by Aboriginal landowners and communities of their differences regarding township land. Although the ALRA was amended in 2006 to, inter alia, facilitate township leases, and FaHCSIA now considers that *‘land tenure is not and will not be an impediment to getting houses on the ground’*, legislative change cannot of itself resolve differences within Indigenous communities.

The issue of obtaining title prior to constructing fixed improvements but ensuring that the process of obtaining title properly takes into account Indigenous interests in land is not, of course, confined to the NT. Similar sensitivities apply in other Indigenous communities on land over which native title rights exist. As in the NT, many residents of Indigenous communities are living on country that belongs to other Indigenous groups. The Government policies and practices that gave rise to these communities usually paid scant if any regard to Indigenous land ownership rights. While relevant mainly to remote areas and hence to only a minority of Indigenous Australians, the resolution of land tenure issues does pose some risk to meeting the overall COAG targets timetable.

The Indigenous Land Corporation (ILC)

The ILC was established in 1995 as a statutory authority under the Aboriginal and Torres Strait Islander Commission Act as part of the Australian Government's response to the Mabo decision. When ATSIC was abolished the ILC provisions were included in the Aboriginal and Torres Strait Islander Act 2005. The ILC's purpose is defined in s191B of that Act as:

- to assist Aboriginal persons and Torres Strait Islanders to acquire land; and
- to assist Aboriginal persons and Torres Strait Islanders to manage Indigenous-held land;

so as to provide economic, environmental, social or cultural benefits for Aboriginal persons and Torres Strait Islanders.

In line with this, the ILC's 2007-2012 National Indigenous Land Strategy (NILS) states that *'the primary outcome of the ILC's land acquisition and land management program is the delivery of environmental, cultural, economic and social benefits to Indigenous people'*. The NILS emphasises that applicants for assistance must show that sustainable benefits will arise and also notes that the ILC will give priority to delivering employment and training benefits. Because employment and training is the ILC's current priority, the ILC program has been considered, above, as part of the Economic Participation program grouping.

At the time of the Mabo decision it was generally considered that pastoral leases had probably extinguished native title. It followed that the many Indigenous groups whose traditional country had been subject to pastoral leases would receive no benefit from Mabo. Establishing the Aboriginal and Torres Strait Islander Land Account (the Land Account) to support the ILC's operations was regarded as an important means of meeting the land aspirations of such groups. Following the Wik decision in December 1996, however, it was recognised that native title rights could coexist with the rights of pastoralists. ILC land purchases thus became less important in providing land for Indigenous peoples whose traditional lands had been subject to pastoral leases. This may in part explain the ILC's current emphasis on employment and training rather than land acquisition for Indigenous groups.

The ILC has been funded by the realised real return on investments of the (now) \$1.7 billion Land Account. This has been a volatile income stream, cushioned by the ILC's own capital reserves which are now around \$177 million. Ministers have recently agreed to legislative amendment that will ensure a stable income for the ILC from the Land Account. This income will be \$45 million per annum, indexed to the Consumer Price Index.

This Review considers that some of the income stream from the Land Account could potentially be used to support native title settlements and ILUAs. The ILC is an independent body not currently subject to Ministerial direction but has previously demonstrated willingness to accommodate government priorities. The manner in and extent to which ILC cooperation might be sought are matters primarily for Minister for Families, Housing, Community Services and Indigenous Affairs to decide.

RECOMMENDATIONS

- 70.** The emphasis on encouraging negotiated settlement of Native Title claims should be progressed as a matter of priority, noting that resolution of Native Title claims is a critical precursor to successful community and economic development in many regional and remote locations.
- 71.** The current division of responsibilities for Native Title matters between AGD and FaHCSIA is appropriate, and should be maintained.
- 72.** Note the risk to the timetable for meeting the COAG *Closing the Gap* targets arising from the inevitable challenges and delays in completing negotiations with Indigenous communities over land tenure and leasing issues.
- 73.** Note the direction of recent decisions on the operating framework for the Indigenous Land Corporation smoothing out revenues from the Indigenous Land Fund.

Released under FOIA Act

CHAPTER 5.11: OTHER PROGRAMS

Most of the programs considered here are relevant to achieving the targets and to the COAG Building blocks, but their connection is not to any specific Building Block or other functional group in this chapter. The 20 programs here considered account for four per cent of 2009-10 estimated Indigenous expenditures and nine per cent of the number of programs. Three programs are environmentally focused. Four allow grants for a wide a range of purposes and could potentially map to all of the COAG Building Blocks. Among the remainder, a significant proportion are small programs that underpin Indigenous Affairs policies and practices (e.g. grants to Reconciliation Australia, the operations of the Office of the Registrar of Indigenous Corporations, the Productivity Commission's Overcoming Indigenous Disadvantage reports, the Aboriginal and Torres Strait Islander Social Justice Commissioner).

Indigenous Protected Areas Program – DEWHA

Objectives of the program are:

- to support Indigenous land owners to develop, declare and manage Indigenous Protected Areas on their lands as part of Australia's National Reserve System,
- to support Indigenous interests to develop cooperative management arrangements with Government agencies managing protected areas; and
- to support the integration of Indigenous ecological and cultural knowledge with contemporary protected area management practices.

The program was first funded in 1996-97 as a pilot program funded through the Natural Heritage Trust. A 2006 evaluation of the *Indigenous Protected Areas (IPA)* program found that it '*is very cost effective, because the land does not have to be purchased for reservation and there is a well founded culturally entrenched commitment to its long-term management*'²²⁰. That evaluation also considered that the IPA '*has been spectacularly successful in its aim of protecting ecosystems and the biodiversity they contain*'.²²¹ A funding increase for the IPA was a 2007 election commitment. 2009-10 estimated expenditure is \$7.994 million administered expenses and \$1.127 million departmental expenses.

Although Indigenous specific, the IPA is not aimed at reducing Indigenous disadvantage. For declared Protected Areas, the purchase of land management services from local Indigenous organisations nevertheless results in significant economic and employment opportunities for Indigenous communities, often in places with few other such opportunities. The Review makes no recommendation to change the program's current operations or funding.

Caring for Our Country– DEWHA

Caring for our Country (C4oC) is a high level program announced jointly in March 2008 by the Minister for the Environment, Heritage and the Arts and the Minister for Agriculture, Fisheries and Forestry. It aims to achieve an environment that is healthy, better protected,

²²⁰ B Gilligan, *The National Reserve System Programme 2006 Evaluation*, Department of the Environment and Heritage, Canberra, 2006, p. 47.

²²¹ *ibid.*, p. 46.

well managed, resilient and provides essential ecosystem services in a changing climate. It integrates the Australian Government's previous natural resource management initiatives, including the Natural Heritage Trust, the National Landcare Program, the Environmental Stewardship Program and the Working on Country Indigenous land and sea ranger programs. The Ministers' March 2008 media release said that the C4oC program would deliver on key election commitments including the expansion of the *Indigenous Protected Areas* program (discussed above) and employment of an additional 300 Indigenous Rangers (already discussed under Economic Development). It also referred to investment of \$2.25 billion over five years.

Two small Indigenous specific elements under the broad C4oC initiative are here discussed. They are the *Indigenous Land Management Facilitators* (ILMFs) and *Indigenous Emissions Trading* (IET).

Indigenous Land Management Facilitators are 13 ongoing APS positions that are employed across the range of C4oC activities. The objectives are to support Indigenous partnership in C4oC program delivery and provide Indigenous employment opportunities. Estimated 2009-10 expenditure on these positions is in the order of \$1.5 million. Positions are funded by administered appropriation transferred to the Natural Heritage Trust (NHT) and then remitted to DEWHA as Regulation 15²²² income for departmental expenses. This is part of the broader Natural Heritage Trust funding arrangements and this Review's remit does not extend to consideration of those arrangements. This Review makes no recommendation to change the ILMF element of the C4oC program.

The *Indigenous Emissions Trading* element, a 2007 election commitment, aims to provide opportunities for Indigenous participation in emerging carbon markets. 2009-10 administered expenses under IET are estimated at \$2.1 million. In 2008-09 IET worked towards establishment of regional fire management projects. Indigenous participation in carbon markets is clearly dependent upon the existence and nature of such markets. On the understanding that when the nature of emissions trading markets is settled, DEWHA will review and adapt IET to ensure that it is appropriate for those markets, this Review makes no recommendation to change the *Indigenous Emissions Trading* element.

Indigenous Partnerships Program (which includes Reef Rescue) – Great Barrier Reef Marine Park Authority

The objectives of the program are to strengthen communications between local communities, managers and reef stakeholders and build a better understanding of Traditional Owner issues about management of the Great Barrier Reef Marine Park (GBRMP), and expand the Traditional Use of Marine Resource Agreements across the Great Barrier Reef catchment. Estimated 2009-10 expenditure is \$2.550 million. The GBRMP Authority has long been involved in Indigenous co-management and partnership programs. The *Reef Rescue Land and Sea Country Indigenous Partnerships Program* was a 2007 election commitment.

²²² Regulation 15 of the *Financial Management and Accountability Act 1997 Regulations* refers.

Among 2008-09 program outputs was completion of the Kuuku Ya' u Indigenous Land Use Agreement (ILUA), the first sea country ILUA to which the Commonwealth Government is a party.

This Review makes no recommendation for change to the GBRMP Authority's Indigenous Partnerships Program.

Indigenous Communities Strategic Investment and Indigenous Communities Strategic Investment Special Account – FaHCSIA

The *Indigenous Communities Strategic Investment (ICSI)* program was originally called the *Office of Indigenous Policy Coordination (OIPC) Flexible Funding Pool*. It then became the *Shared Responsibility Agreement Implementation Assistance Program* and, from 2006, the *Indigenous Communities Strategic Investment* program. FaHCSIA program documentation says that '*ICSI is an innovative and flexible service type that provides funding for one off projects, where mainstream or other Indigenous funding cannot be accessed*'. Estimated 2009-10 expenditure under ICSI is \$34.759 million. About two thirds of this is for national projects and one third for regional/local priorities. The national projects include FaHCSIA elements of the Cape York Welfare Reform trial, support for the *National Congress of Australia's First Peoples* and activities to combat petrol sniffing. Many national projects and some regional projects involve multi-year funding. For regional projects, delegations to approve grants are held locally, which improves the ability of the program to respond to local priorities.

The *ICSI Special Account* allows contributions from other agencies, other governments or private organisations to be received and then spent in conjunction with FaHCSIA program funds on jointly funded projects. Grant administration for jointly funded projects is thus simplified, including for grant recipients who need account only for the one grant, rather than separately to the various funding agencies. In 2008-09 \$3.573 million was spent from the ICSI Special Account. The 2009-10 estimate is \$2.735 million. Actual payments will depend on the extent to which other agencies and governments choose to use the facility. There is no separate appropriation for the *ICSI Special Account*.

Provided there continues to be transparency about what projects are funded under ICSI, this Review considers that the range of activities already funded and the ongoing flexibility of the program are major strengths and opportunities. In the later section of this report dealing with Reforming Service Delivery there is further discussion on ICSI and the *ICSI Special Account*, including a recommendation to endorse continued use of ICSI and its associated Special Account, while reviewing its guidelines in order to facilitate evaluation of outcomes.

Closing the Gap NT – Local Priorities Fund – FaHCSIA

The *Local Priorities Fund* facilitates immediate community improvements that achieve outcomes consistent with *Closing the Gap* NT. The \$10 million provided as a 2009-10 Budget measure is to address minor service and infrastructure gaps as part of the community engagement process. The program ceases on 30 June 2010.

Aboriginals Benefit Account discretionary payments – FaHCSIA

The Aboriginals Benefit Account (ABA) is a Special Account established under Part VI of the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA) and receives a special appropriation equal to the amounts of any royalties received by the Commonwealth or the Northern Territory for mining on Aboriginal land in the NT.²²³ Section 64 of the ALRA deals with debits/payments from the ABA. These include payments to NT Land Councils for their Ministerially approved estimates of administrative expenses and payments to Land Councils for distribution by them to Indigenous corporations whose members are traditional owners of or who live in areas affected by the particular mining operations.²²⁴ This 'affected community' share is 30 per cent of the royalty equivalent amounts for each particular mining operation.

After meeting Land Council administration expenses and the 'affected communities' share noted above, as well as other expenses such as ABA administration costs and some lease acquisition and administration costs, the ABA still has substantial uncommitted balances. The Minister determines how these are spent. Section 64(4) of the ALRA provides that '*there must be debited from the Account and paid by the Commonwealth such other amounts as the Minister directs to be paid or applied to or for the benefit of Aboriginals living in the Northern Territory*'.

Estimates in FaHCSIA's 2009-10 Portfolio Budget Statements were that the ABA would have an opening 2009-10 balance of \$306 million, and during the year would receive \$210 million income while making payments of \$147 million.

FaHCSIA does not consider that the ABA is an Indigenous program within the scope of this Review. This Review considers that the discretionary section 64(4) payments from the ABA should be regarded as an Indigenous program, albeit one restricted to the NT, and that Ministers might welcome assurance that ABA discretionary grants are used for purposes aligned to the Government's policy priorities. Reporting within the SIBS on the proposed disposition of the ABA may also provide opportunity to fund SIBS priorities where they relate to program delivery in the NT.

The most recent media release listing projects to be funded from the ABA shows that the ABA is being used for purposes aligned with the Government's and COAG's priorities.²²⁵ For example, the two largest of the 18 projects that comprised the \$9.4 million announced grants were:

²²³ Section 63 of the ALRA deals with Credits to the ABA and includes provisions covering mining operations under the *Atomic Energy Act 1953*, so that uranium mining results in royalty equivalent payments to the ABA, and also provides for Ministerial determinations in some circumstances where royalty rates increase after the grant of a mining interest.

²²⁴ Section 35 of the ALRA deals with how Land Councils must apply the moneys they receive.

²²⁵ The Hon J Macklin MP (Minister for Families, Housing, Community Services and Indigenous Affairs), *\$9.4 million in grants for NT Indigenous communities*, media release, Canberra, 19 November 2009.

Central Land Council	Construction of early childhood centre and duplex accommodation for staff and visitors	Willowra	\$2,602,374
Central Land Council	Construction of a youth and recreation precinct	Mutitjulu	\$2,257,500

RECOMMENDATION

74. The Minister responsible for Indigenous Affairs should report annually in the SIBS process on the proposed disposition of the Aboriginals Benefit Account discretionary payments and their alignment with the COAG *Closing the Gap* strategies.

Indigenous Interpreters [FaHCSIA] and Aboriginal Interpreting Services [AGD]

The objective of FaHCSIA's *Indigenous Interpreters* program is to improve communication between the Government and Indigenous communities through provision of improved interpreting services. It began in 2008-09 as part of the Northern Territory Emergency Response and enabled the existing NT Aboriginal Interpreter Service (NTAIS) to recruit four more interpreters and two coordinators. The funding also assisted in interpreter training. Estimated expenditure in 2009-10 is \$0.9 million, growing to \$2.9 million in 2010-11 and \$4.3 million in 2011-12. FaHCSIA uses NTAIS services on a fee for service basis and the Indigenous Interpreters program has increased the capacity of NTAIS to provide those services.

AGD also funds the NTAIS, under a Memorandum of Understanding (MOU) between the Australian and Northern Territory governments. The purposes of this joint funding arrangement are to support NT law and justice agencies and also to give Indigenous legal aid providers, family violence prevention and legal services units and Community Legal Centres in the NT free access to interpreters. Estimated 2009-10 expenditure is \$0.550 million. The current MOU expires on 30 June 2010 and AGD intends conducting an evaluation in early 2010 to inform renegotiation of that MOU.

Although it may at first appear anomalous that two Commonwealth departments are funding the same Indigenous organisation for interpreter services, there is significant distinction between the programs in the purposes for which interpreter services are used. The AGD program, which has operated since 2000, ensures free access to interpreters for legal aid and associated purposes. It appears to be a cost effective means of purchasing those interpreter services. The FaHCSIA program, which is part of the *Closing the Gap in the Northern Territory* National Partnership Agreement, is directly related to the NT Emergency Response and has boosted the capacity of NTAIS to provide interpreting services needed for the intervention. This Review does not favour a merger of the two programs.

In discussions with the agencies about whether a merger might be desirable, it was acknowledged that there was some scope to improve coordination of their support for the NTAIS. This is expected to occur.

Remaining programs

This Review does not propose any changes to other programs within this group.

Australian Government own purpose Indigenous expenditures include departmental expenses for the administration of Indigenous programs. Such departmental expenses in DEEWR, and most of those in FaHCSIA, have not been allocated by those agencies to specific Indigenous programs. For 2009-10, estimated unallocated Indigenous departmental expenses are \$53 million in DEEWR and \$272 million in FaHCSIA. DoHA departmental expenses were also not allocated to individual programs, though there was some allocation to groups of programs within the Health function. All DoHA departmental expenses have been treated as part of expenditure under the Health grouping. Because DEEWR and FaHCSIA's departmental expenses relate to more than one functional group, they are noted here under 'other'. Unallocated departmental expenses are not separate programs.

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CHAPTER 6: WHOLE OF GOVERNMENT COORDINATION

Renew commitment to Whole of Government approach to Indigenous policy

Commonwealth agencies have been according the whole of government approach to Indigenous policy and program and service delivery a high priority over a period of at least five years. At the direction of Prime Ministers and relevant portfolio ministers and with the leadership of the Secretary of the Prime Minister's department and those of the various agencies charged with overarching responsibility for Indigenous affairs, a number of initiatives and structures have been pursued for varying lengths of time and with varying levels of influence and effectiveness.

The major forum, currently the Secretaries Group in Indigenous Affairs (SGIA), is underpinned by the Executive Consultative Forum for Indigenous Affairs (ECFIA) chaired by the Secretary of FaHCSIA. This forum is currently seen as the major point of cross Commonwealth coordination and is the Reference Committee for this Review.

The Cross Agency Working Group on Indigenous Funding and Governance Reform (CAWG) was established by the SGIA in 2006 to develop and promote whole of government remedies '*to reduce the administrative burden on Indigenous Organisations and all communities*'. CAWG has developed a number of products that aim to support common business practices such as standardisation of terms and conditions for funding agreements, a common set of performance indicators and greater consistency in risk management approaches. The work of CAWG is reviewed in the chapter on Program Management Issues.

The Government's management of the *Northern Territory Emergency Response* (NTER) was regarded by many as an example of how agencies can effectively manage policy and implementation in a joined up manner. In its 2008 report reviewing the NTER, the Review Board found that it was: '*widely acknowledged that the Operations Centre was a very effective mechanism for cutting through the many logistical and administrative impediments associated with the roll-out of the major programs such as child health checks and income management*'²²⁶.

Although the NTER Operations Centre was found to be effective, the Commander of the Operations Centre was frustrated by the '*silo mentality and practices of those departments involved in the implementation of the NTER*'.²²⁷

A paper prepared for the SGIA in 2007 helpfully drew together some of the lessons learned from various initiatives implemented in a whole-of-government approach, highlighting the failure (in many cases) to meet the pre-conditions for sustainable whole-of-government action in areas such as:

- agreements on processes and intended outcomes;
- performance measurement;

²²⁶ Northern Territory Emergency Response Review Board, *Report of the NTER Review Board*, Commonwealth of Australia, Canberra, 2008.

²²⁷ *ibid.*

- communications and project coordination;
- community capacity and leadership;
- accountability;
- funding flexibility; and
- community engagement and ownership.

While a good deal is now known about what does *not* work in this area, and on traps and pitfalls to be avoided in the future, there is much less clarity on how the lessons from the past can be translated into practical and workable arrangements in any given setting (e.g., in promoting better coordination of service delivery across agencies, and in balancing the need for greater funding flexibility with effective accountability). It is the view of the Review that exhortation, encouragement and good intentions alone are likely to count for little in this area (as recent history amply attests); instead, structural solutions (including a major streamlining of current program arrangements) and revised accountability arrangements offer a far more promising lead.

Despite the numerous previous approaches and effort, effective whole-of-government collaboration is no less of a priority now given the:

- urgent need for change to address disadvantage that limits Indigenous Australians' access to services and reduces their opportunities and choice that lead to participation in the broader economy;
- highly ambitious targets that have been set by COAG; and
- the immense task of effecting change within the limited timeframes set by COAG some of which are to be from within a decade from 2007.²²⁸

There is thus now even more of an imperative for a renewed effort and commitment for agencies to operate in a more cohesive, joined up manner. This may be further emphasised by the work of the *Advisory Group on Reform of Australian Government Administration* in its report to be released shortly.

The discussion paper of the *Advisory Group on Reform of Australian Government Administration* outlined a number of possibilities that could assist whole of government approaches including the implementation of strategic policy hubs that could 'effectively act as centres of strategic policy development that could tackle complex, long-term, whole-of-government policy challenges'.²²⁹

The Advisory Group also points to a possible reform direction as being 'A *whole-of-government commitment to citizen centred service delivery, supported by a strong APS culture focused on designing and developing better services for the citizen, could lead to new service delivery channels and more choices for users*'.²³⁰

Notwithstanding the existing challenges that confront agencies and any reforms arising out of the *Reform of Australian Government Administration* report, a new culture of whole-of-

²²⁸ Council of Australian Governments, *Communiqué*, 20 December 2007.

²²⁹ Advisory Group on Reform of Australian Government Administration, *Reform of Australian Government Administration: Building the world's best public service*, Discussion paper, 2009, p. 25.

²³⁰ *ibid.* p. 32.

government and citizen centric service delivery will need to be developed to avoid the failings of the past.

The Review has been disappointed by the number of examples of a lack of whole of government cooperation, including in progressing the following initiatives:

- Staff Housing - Despite the growing and urgent need for staff housing and office accommodation to support government staff and service providers in remote Indigenous communities, there has until recently been a lack of a coordinated effort across governments to provide this accommodation in a timely and cost effective manner. Other than for the NTER where FaHCSIA took the initiative in providing demountable accommodation for its staff and also for use by staff from other agencies and service providers, the Review understands that individual agencies have necessarily taken it upon themselves to negotiate and organise housing and office accommodation in remote Indigenous communities;
- CAWG – Notwithstanding excellent work within individual agencies in standardising program management and contracting frameworks, and excellent work by CAWG in providing the groundwork for common frameworks, the current situation is that the three major departments servicing Indigenous affairs –FaHCSIA, DoHA and DEEWR – have gone three separate ways. Much still needs to be done to foster common products and procedures that would benefit Indigenous communities and services providers with the reduction of red tape;
- Indigenous Coordination Centres - Agencies other than FaHCSIA have become less willing to either place their own staff in ICCS, or to use existing ICC staff to conduct their business (or to draw support from the GBMs and IEOs located in a number of remote Indigenous communities) creating a missed opportunity for a genuine whole of government, single interface approach to service delivery;
- Indigenous Economic Development Strategy - The Review observes that officials have had difficulty in effectively drawing together a strategy that balances concept with practical proposals for priority attention and this has not been helped by a lack of clarity in responsibility between key agencies;
- Family Violence - It is clear from discussions that the Review has had with officers from FaHCSIA and the Attorney General's Department that the Commonwealth's suite of Indigenous specific family violence programs would benefit from a closer working relationship between the two departments. The Commonwealth needs to be more strategic in using the funds available under the three family violence programs to maximise outcomes and to help advance the proposed COAG Safe Communities strategy; and
- Indigenous business support services – While DEEWR and IBA have been aware of the scope for better coordination of their services for some time, both currently provide Indigenous business support services which can lead to an actual or perceived duplication of activity and inefficiency.

As well, the Review is proposing whole of government approaches to training in governance and leadership and to mobility assistance. That such possibilities have not been progressed in the past may reflect that officials are stretched in addressing their own immediate responsibilities but if whole of government is a real priority these factors need to be taken into account in managing work plans, in providing opportunity for interaction across related

areas of government and in people's accountability to pursue whole-of-government solutions. Departments may need to review if there is adequate resourcing of program managers and work teams to participate effectively in whole of government endeavour and integration of service delivery.

RECOMMENDATION

- 75.** A renewed commitment should be made within the Commonwealth to a coordinated, whole-of-government approach to the delivery of programs and services to Indigenous people. Agency leaders should play an active role in promoting the need for joined-up service delivery and the importance of active cooperation with other portfolios and agencies.

Partnership with the States

Implementing COAG agreements

Both Commonwealth and State agencies have demonstrated significant effort in, and commitment to, implementing the new Federal Financial Framework reforms including National Agreements, National Partnerships and the various Bilateral Agreements and Implementation Plans. However, the challenge now, as these new arrangements settle down, is for agencies and officials to adapt to new and evolving roles. For the Commonwealth, in many cases this will involve monitoring the effectiveness of these major investments and fine tuning the agreements that underpin them in the light of that experience; while for the States and Territories, their role will more clearly focus on seeing implementation through to successful outcomes. While monitoring to date has focused on 'milestones' to be met in establishing the new arrangements, the focus now must shift to achieving outcomes, monitoring performance and keeping a watching brief on weaknesses in the new reforms.

The troubling aspect that has become apparent to the Review is the extent of concern across senior managers over the strengths of the partnerships required to achieve the desired outcomes. Concerns include:

- a lack of confidence in the capacity of the States and Territories to deliver on the outcomes and objects of the Reforms, particularly in the case of the Northern Territory and specifically in the areas of housing and education;
- doubts about the depth and effectiveness of the Partnerships Agreements as effective instruments and levers influencing the ambitious reforms; and
- doubts about the ability to get meaningful and accurate data from jurisdictions to properly assess what changes are being effected and what outcomes are being achieved.

While the *National Partnership Agreement on Remote Service Delivery* (RSD) has strong governance mechanisms for both its implementation and operation, there appears to be a lack of similar structures for other key Partnership Agreements and for the for the COAG *Urban and Regional Strategy*.

Addressing these difficulties will require;

- insistence by the Commonwealth on an open and transparent partnership with the States and Territories where priority is accorded to sharing of all necessary information and performance data; and
- preparedness to fine tune the terms to National Partnership Agreements (NPA) to ensure that they properly serve the purpose for which they are intended.

Even so, in view of these challenges, there is also a need for a risk management plan that includes identification of possible remedial strategies and timeframes over which results should reasonably be expected. Treasury advises that there is no provision in the Federal Financial Relations framework for sanctions and that the Commonwealth can only withhold payments to the States and Territories if they fail to meet agreed performance benchmarks/milestones under an NPA. As outlined in Chapter 2, it is therefore critical that the terms of the NPA's anticipate the circumstances where performance may be at issue. Even so, line agencies indicate concern about the limited leverage that is in practice available to the Commonwealth. The Commonwealth decision to actively partner with the Northern Territory administration in delivery of indigenous housing is an exception made possible by the constitutional relationship between the Commonwealth and the Northern Territory government. Preparation of a risk management plan at a senior level within the Commonwealth could inform how these sensitive matters could be progressed.

A related concern is the extent of flexibility to fine tune COAG partnership agreements in the light of emerging experience. There is a natural preference to give agreements time to deliver on outcomes but it is also desirable that agreements can be varied at the margin to address changing circumstances. The possibility of a package of issues arising out of this Review that would need to be negotiated with the States and Territories and the timing of those changes is a case in point

On the more positive side, the establishment of the new COAG financial framework along with its supporting framework of agreements has been a remarkable achievement in such a short space of time and it is possibly not surprising that requirements for adaptation are now emerging as the substantial task of implementation proceeds. The implementation of the RSD strategy serves as a case study and reports to the Review indicate that acceptable progress is being made. Of particular relevance is the feedback that the joint Boards of Management that have been set up in the relevant States and the Northern Territory have established effective working relationships at that level.

There is an urgent need to establish equivalent forums to facilitate the implementation of wider *Closing the Gap* strategies and such a framework is proposed in the *Overarching Bilateral Indigenous Plans Governance and Reporting Guidelines (OBIP)*²³¹ being developed between the Commonwealth and each State and Territory. The OBIP arrangements will capitalise on existing governance and reporting arrangements established under Indigenous specific and other related bilateral agreements. In particular it is envisaged that the OBIP Boards will build on the RSD Boards in the jurisdictions where they are in operation.

²³¹ Draft Guidelines on Governance and Reporting for Overarching Bilateral Indigenous Plans – January 2010, provided to the Review Team by FAHCSIA

In addition to the COAG National Indigenous Reform Agreement and its relevant strategies, the proposed OBIP encompasses seven Indigenous specific National Partnership Agreements, five National Agreements and 13 National Partnership Agreements. Due to the sector specific and complex nature of these agreements and consistent with the wide scope of the *Closing the Gap* agenda, it will be important that representation at these forums include where possible relevant Commonwealth and State agencies.

RECOMMENDATION

- 76.** In view of the evident concerns about the vigour and depth with which some State and Territory agencies are addressing their responsibilities:
- 76.1.** The Commonwealth should press for a frank and transparent relationship so that there can be confidence in the partnership with the States and Territories;
- 76.2.** The governance mechanism for the Overarching Bilateral Indigenous Plans currently being developed between the Commonwealth and each State/Territory provides a streamlined vehicle for regular and honest review and feedback on implementation of the COAG *Closing the Gap* strategies in each jurisdiction. While led by FaHCSIA and the State/Territory First Minister's department (or department responsible for Indigenous affairs), representation should also include other relevant Commonwealth and State agencies, consistent with the wide scope of the *Closing the Gap* agenda; and
- 76.3.** The Commonwealth should develop a risk management plan which identifies key milestones and options for action in the event that States and Territories fail to deliver on their key commitments.

State Government programs

Within the available governance framework priority needs to be given to improving, over time, the mechanisms to provide a level of certainty and structure to what is a very ambitious and complex set of arrangements involving many levels of Government and numerous stakeholders. As already observed above, in many cases the Commonwealth's major role in this frame work is to hold those with primary responsibility for delivery to account. Any reaction to poor performance outcomes, however, should not be as has happened in the past which was to introduce a range of Commonwealth programs that act at the margins of mainstream funding. This approach only dilutes the responsibility of mainstream providers and leads to a lack of clarity over accountability. Rather, the approach should be to use the levers that are provided in an agreement based framework, such as:

- being clearer and more specific about agreed desired outcomes and strategies and about respective responsibilities;
- requiring public accountability; and
- making active use of reward payments.

RECOMMENDATIONS

77. A major role for the Commonwealth under the new COAG framework should be to hold States and Territories to account for their delivery of those mainstream services for which they are responsible (especially in critical areas such as schooling, health, housing, community services and related infrastructure). Where mainstream programs and services fail to deliver their intended results the appropriate policy response should be to reform those mainstream services rather than to create a new array of ad hoc funding programs.
78. Future reviews of *Implementation Plans and Bilateral Agreements* under relevant COAG National Partnership Agreements should pay particular attention to the outcomes being achieved by Indigenous people, consistent with the *Closing the Gap* strategy. Where necessary, policy strategies and the structure of reward payments should be revised to support accelerated improvements in Indigenous outcomes.

COAG as a negotiating framework

The Review has made a number of recommendation in which it is proposed that program activities and associated responsibility transfer to the States and Territories. The Commonwealth position on whether funding transfers with the activity will vary depending on a number of factors including degree of responsibility that sits with the States and Territories and the amount of funding already provided for the function though both Specific Purpose Payments and National Partnerships Agreements. The timing for transfers will also differ across program elements.

Given that in at least one instance (the proposed transfer of responsibility for municipal services to the States and Territories) will likely entail additional funding it seems sensible to balance that against a number of programs where there are reasonable grounds for expecting transfer of function without funding. The Review is proposing that any funds freed up as a result of the transfers would be directed to the funding of initiatives in community safety and associated legal aid which should also be welcomed by the States and Territories. In the light of these considerations the Review considers it sensible for the Commonwealth to negotiate these changes with the States and Territories as a package of proposals.

A coordinated discussion with the States and Territories would also provide an opportunity to review progress in the implementation of the COAG architecture, including progress in establishing the structures envisaged under the OBIP arrangements, data sharing and any guidance on approaches in fine tuning Agreements in the light of experience. If the momentum of the reforms is to be maintained, early attention to these issues as well as to the package of proposals arising out of this Review is desirable.

Like the Commonwealth, State and Territory governments administer a considerable number of Indigenous-specific funding programs which interact with, and in some cases duplicate, the Commonwealth's programs. The Review is of the opinion that there could be value in conducting a similar program of expenditure reviews in other jurisdictions.

RECOMMENDATION

- 79.** In the interests of leverage and effective coordination a package approach should be taken in negotiating a response from State and Territory governments to relevant recommendations arising from this Review.

Communicating an understanding of the broader COAG framework

Discussions with senior officers have highlighted the lack of understanding of the broader COAG framework by many Commonwealth line officers but more particularly of State and Territory officials, even at relatively senior levels. Of most concern is the lack of understanding of the application of the overarching National Indigenous Reform Agreement and its relationship to other COAG agreements.

An example was highlighted by the Coordinator-General for Remote Indigenous Services in his first Six Monthly Report in that Commonwealth agencies did not fully implement the decision of Government that priority should be given to the 29 RSD communities as opportunities arise in designing or redesigning National Partnership Agreements.²³²

The Review considers that it is important that an effective communication strategy is put in place to assist both Commonwealth and State and Territory officials in understanding their roles and responsibilities in improving outcomes for Indigenous Australians.

RECOMMENDATION

- 80.** FaHCSIA should implement a communications strategy to ensure that staff in Commonwealth and State and Territory agencies are kept better informed about how the *Closing the Gap* and *RSD strategies* are intended to work and their roles and responsibilities in that regard.

Commonwealth Grants Commission methodology review

The Review has not addressed in any detail, the implications of the current methodology review being conducted by the Commonwealth Grants Commission (CGC) of the adequacy of resourcing of State and Territory governments for their responsibilities towards Indigenous Australians. However, the appropriateness of CGC arrangements has been raised with the Review and presented in a number of forums. For example, in their recent book 'Beyond Humbug', Michael Dillon and Neil Westbury argue that CGC arrangements need to be revised to take account of:

- the backlog in unmet infrastructure investment in determining payments to the States and Territories; and
- relative need as well as population in determining payments for local government.

²³² Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 102.

In calculating revenue sharing relativities, the CGC takes account of the effect of remoteness on state expenses as part of its broader assessment of state expense 'needs' and also of the costs of providing services to Indigenous Australians. In determining the relativities the CGC calculates both revenue and expense 'needs'. The number of Indigenous Australians present in the population of a jurisdiction gives rise to a weighting which reflects the increased costs which can be associated with providing particular services to Indigenous Australians. Such weightings are present in almost all expense assessments including school education, post-school education, admitted patients, community and other health services, services to communities, and welfare and general government housing.

In the context of its current 2010 Methodology Review, the CGC has proposed adjusting its methodology to provide a further disaggregation of weightings to recognise that the costs in providing services to Indigenous Australians who live remotely is higher still than the additional cost of providing those services to those Indigenous Australians who do not live remotely.

In relation to backlogs in infrastructure investment, consideration must be given to the treatment of Specific Purpose Payments and payments under National Partnership Agreements including Commonwealth owned purpose expenses. The CGC draft 2010 report states that, in relation to treatment of payments made under the Federal Financial Framework reforms, the Inter-governmental Agreement indicates governments expect the GST distribution would:

- *be affected by the revenues States receive through national specific purpose payments, national partnership project payments and general revenue assistance because they provide budget support for standard State services; and*
- *not be affected by revenues from national partnership facilitation and reward payments and the expenditure they fund.*²³³

The draft report gives the CGC discretion on the treatment of National Partnership Agreement payments in consultation with the Commonwealth, State and Territories if an alternative treatment is deemed appropriate. Similarly it also states that the Treasurer may direct the CGC on the treatment of individual National Partnership payments if considered appropriate.

As an example, in its draft report, the CGC took the position that the Strategic Indigenous Housing Infrastructure Program should not affect State fiscal capacities as it is a Commonwealth program aimed at accelerating progress on the standard of Indigenous housing prior to its becoming a responsibility of the Northern Territory Government.²³⁴

It is also relevant to note that, to the extent that Commonwealth provision of financial assistance grants to support local government (amounting to \$1.4 billion in 2009-10, including \$1 billion in untied grants) do not reflect the relative need in providing Indigenous services, that is taken account of when the financial assistance grants are accounted for in

²³³ Commonwealth Grants Commission, *Report on State Revenue Sharing Relativities 2010 Review*, draft, Commonwealth Government, Canberra, 2009, p. 25, viewed 5 February 2010, <http://www.cgc.gov.au/method_review2/2010_review_documents2/2010_review_draft_report>.

²³⁴ *ibid.*, p. 93.

the CGC methodology. Those relative needs are also taken into account by State Grants Commissions when determining the intra-State and intra-Territory distribution of the financial assistance grants.

The outcome of the 2010 methodology review which is likely to be considered by governments in March 2010, has the potential to significantly impact on revenue sharing relativities.

RECOMMENDATION

- 81.** Note that the current Commonwealth *Grants Commission Methodology Review* will have implications for how costs of providing Indigenous services, including in remote locations, are taken into account in the Commonwealth's revenue sharing with the States and Territories.

Commonwealth Government Indigenous Budget processes

The Single Indigenous Budget Submission process

The *Single Indigenous Budget Submission* (SIBS) process is intended to improve Indigenous outcomes through a coordinated whole-of-government approach to annual budget decisions on Indigenous matters. The Review considers that the SIBS process is still the most appropriate mechanism for presenting new policy to Government. It has, however, frequently been a subject of comment by officials with mixed views on its appropriateness and usefulness.

By and large there is disappointment that the process does not work more effectively, with four broad issues being highlighted:

- often Indigenous issues are dealt with outside the SIBS process;
- savings offset requirements are at times dysfunctional;
- too many minor matters are dealt with; and
- the annual commitment to a strategic theme has not come together in a constructive way.

The Review is strongly of the view that there is value in maintaining the SIBS process and considers that more effort should be made to channelling all Indigenous matters through that forum even if there is some flexibility in allowing 'stand alone' submissions to be considered alongside an otherwise consolidated list of proposals. In principle, the advantage of doing so is that it enables Ministers to make informed decisions about *overall* Indigenous priorities.

The Review also sees value in persisting with a strategic theme that will be given priority in each Budget and is not concerned if 'housekeeping' proposals also have to be dealt with provided there is a framework that enables consideration of the relative priority of those matters. Delaying attention to necessary housekeeping can be dysfunctional particularly if those needs accumulate over successive budgets.

The Review notes that a number of areas of work that are proposed in this Report, such as mobility assistance, governance and leadership and a strategic framework for economic participation, among others, could be suitable themes over the next several years. The Minister for Families, Housing, Communities and Indigenous Affairs and FaHCSIA as her portfolio department maintain over arching responsibility for the SIBS process. That arrangement ensures that the broad Indigenous policy perspective informs the SIBS process. However the Review considers that Finance could usefully take a more active role in facilitating the SIBS process.

One way of doing so is by utilising the Principles articulated in Chapter 4 to provide a framework for assessing the value of Indigenous new policy proposals. It is proposed that Finance should issue an Estimates Memorandum requiring that any new Indigenous policy proposal be able to demonstrate its consistency with the Principles listed at Attachment C and additional questions be added to the template for Indigenous new policy proposals requiring:

- confirmation that the proposal has been developed in accordance with the principles and that supporting documentation demonstrating consistency with the principles is available if required; and
- where a new program is proposed, provision of an explanation as to why an existing mainstream or Indigenous program cannot be used or adapted for that purpose.

Finance could also be more active in working in partnership with FaHCSIA in identifying options for consideration within the nominated theme for priority consideration in the SIBS. This could be matched with a more active role in identifying possible savings offsets. The availability of a menu of savings options can provide Ministers with greater flexibility in the basis on which they can agree to SIBS proposal coming forward.

RECOMMENDATION

- 82.** The role of SIBS in facilitating coordinated consideration of all Indigenous budget related proposals should be affirmed:
- 82.1.** Finance should issue an Estimates Memorandum requiring that any new Indigenous policy proposal be able to demonstrate its consistency with the principles listed at Attachment C and additional questions be added to the template for Indigenous new policy proposals requiring:
- 82.1.1.** Confirmation that the proposal has been developed in accordance with the principles and that supporting documentation demonstrating consistency with the principles is available if required; and
- 82.1.2.** Where a new program is proposed, provision of an explanation as to why an existing mainstream or Indigenous program cannot be used or adapted for that purpose.
- 82.2.** Each budget should continue to have a theme that can be considered for priority attention, while allowing other necessary matters to come forward; and
- 82.3.** Finance should play a more active role in facilitating the SIBS process, including in evaluating the appropriateness of new policy proposals against the proposed principles, facilitating with FaHCSIA the development of proposals against the nominated theme and in identifying possible savings and offsets.

The AGIE data base

In its December 2007 Communiqué, COAG committed to reporting transparently on expenditure on services to Indigenous Australians. The aim of this higher level of transparency is to contribute to better policy development and improved outcomes for Indigenous Australians. The resulting Indigenous Expenditure Report (IER) will include expenditure on Indigenous-specific and key mainstream programs by Commonwealth and State and Territory governments. Treasurers have agreed that jurisdictions will cooperate in the development of a national framework for reporting expenditure on Indigenous services

In the report to COAG in February 2009, the IER Steering Committee explained that despite the major investment by governments in attempting to address Indigenous disadvantage there is only limited information with which to assess either the adequacy or effectiveness and efficiency of the expenditure on Indigenous. The report stated that:

'Better information about government expenditure on services to Indigenous Australians would improve governments' ability to:

- assess the priorities on the basis of which resources are allocated or should be allocated*
- measure the efficiency of the delivery of services and identify opportunities to improve the delivery of services or reduce waste and duplication*
- assess appropriate funding adjustments to achieve optimal service delivery'.*

The importance of data underpinning the Commonwealth's own policy development is no less important and the role that the Australian Government Indigenous Expenditure (AGIE) data base plays in that work makes it an imperative to enhance the usefulness and reliability of the data collected and reported for this purpose. The experience of this Review in compiling its data base is relevant to that task, particularly as it has experienced a number of difficulties that will also arise for the AGIE and IER data bases. In particular, there needs to be greater clarity on what constitutes 'Indigenous expenditure' and guidance that avoids double counting of payments between agencies and through Special Accounts. These were both frequent sources of difficulty in compiling the data base for this Review.

RECOMMENDATION

- 83.** To enhance the usefulness and reliability of the *Australian Government Indigenous Expenditure* (AGIE) data base, which will contribute to the *Productivity Commission's Indigenous Expenditure Report* commissioned by COAG:
- 83.1.** FaHCSIA and Finance should provide guidance on what constitutes Australian Government Indigenous Expenditure; and
 - 83.2.** Finance should provide guidance on the treatment in AGIE reporting of payments into and out of Special Accounts and on payments between Australian government agencies.

Commonwealth policy and program coordination

Given the number of issues raised throughout this Report, it is reasonable to question the effectiveness of the current governance arrangements guiding management of Indigenous matters across Commonwealth agencies. By and large however, this Review has concluded that the persistence of those difficulties is more a reflection of the scale and complexity of the task than it is of inadequacies in governance.

Nevertheless every effort needs to be made to improve on current performance and that raises the issue of the roles of FaHCSIA, the SGIA and ECFIA in coordinating Indigenous matters.

The Review has no proposals in relation to the roles of FaHCSIA and the SGIA. It has the impression that these work as well as they can reasonably be expected to. In the current circumstances, the Review considers that ECFIA is the engine that needs to work most effectively in coordinating across-agency activities. The Review considers that:

- while the forum was established with the FaHCSIA Secretary as chair and representation of Deputy Secretaries from participating agencies, too often representation is from less senior officials. It is understood that senior officials have heavy demands on their time but representation at level is important if decisions are required and if information and insights are to be effectively shared (and owned) across agencies;
- agencies should be taking more advantage of the opportunity to initiate agenda items. While FaHCSIA as Chair and as the coordinating agency has a critical role, it is a joint forum and should be actively used as such;

- more particularly, ECFIA needs to maintain a balance between shaping overall strategy and coordinated progress of priority implementation issues. The former could be aided by an annual requirement to consult SGIA on the strategic directions for the forum's work and its anticipated work program; and
- from time to time there will of course be issues that need to be coordinated at the more senior level of SGIA, as was the case, for example, for the implementation of the NTER.

RECOMMENDATION

- 84.** In respect of Commonwealth coordination arrangements:
- 84.1.** note the significant roles played by FaHCSIA as lead agency, and the joint forums provided by the Secretaries Group on Indigenous Affairs (SGIA), Executive Consultative Forum on Indigenous Affairs (ECFIA) and Cross Agency Working Group on Indigenous Funding and Governance (CAWG);
 - 84.2.** note the potential for all agencies to use ECFIA as a 'problem solving' forum, not just FaHCSIA in its lead agency role; and
 - 84.3.** as part of a more coordinated and strategic approach, ECFIA should develop an annual work plan and set of work priorities for endorsement by SGIA.

The Government has highlighted the importance of effective engagement with Indigenous communities. An important aspect of this engagement is the need for clear and understandable communication through channels that are appropriate and accessible to Indigenous Australians, no matter where they live.

Communication tools and messaging must be developed by experts in this field if it is to be effective. It should be informed by market research and evaluated for its reach and impact. It appears, however, that many agencies conduct communication activities in isolation from the broader strategy developed and maintained by FaHCSIA.

Like other whole-of-government activities, the Review has been made aware of the frustration experienced by communities in being involved in uncoordinated marketing studies for different agency campaigns and communication activities. Given the importance of effective community engagement and genuine consultation with Indigenous peoples there is a need for a greater effort in joined up marketing and communication activities.

RECOMMENDATION

- 85.** The Indigenous Communication Coordination Group, chaired by FaHCSIA, should examine the effectiveness of coordination arrangements for market research and development of communication strategies, particularly in remote locations.

CHAPTER 7: IMPROVING PROGRAM MANAGEMENT

Consistently and repeatedly over the past decade, many (both internal and external) voices²³⁵ have called on the Australian Government and its agencies to reduce the administrative burden and unnecessary complexity associated with accessing essential and desirable funding support through its broad array of Indigenous programs. The justifications behind these petitions are well known and extensively documented:

- existence of multiple 'like' programs which overlap and duplicate each other in places, while also leaving gaps in others, together leading to complexity and confusion;
- programs with poorly articulated objectives often underpinned by flawed assumptions and weak program logic which then raise unrealistic expectations of what can actually be achieved through the program;
- short term, staccato and 'pilot' funding arrangements with no commitment to ongoing funding and disconnected from the reality of the scale and timing of investment needed to drive lasting change;
- annual funding rounds for ongoing service needs which draw heavily on the limited administrative and management capacity of community organisations;
- multiple and complex funding arrangements - both within and across government agencies - with a need for greater commonality in their alignment and contract management approaches even though the contracting party throughout is the 'Commonwealth of Australia';
- the barriers created by these funding arrangements for long term planning and recruiting and retaining skilled and motivated staff who are essential for achieving the gains sought in challenging contexts;
- an approach by many program managers on contractual rather than relational governance, leading to management styles that micro-manage Indigenous and other organisations, and stifle innovation and agility by local providers;
- the unintended consequence of these funding arrangements in diverting precious resources from service delivery towards administrative compliance; and
- the compounding negative effects for the sustainability and organisational capacity of Indigenous organisations.

Cross Agency Working Group

In 2006, a Cross Agency Working Group (CAWG) on Indigenous Funding and Governance Reform was established to develop and promote whole of government remedies 'to reduce the administrative burden on Indigenous Organisations and all communities'. CAWG has met

²³⁵ To name just a few in recent years - Morgan Disney and Associates Pty Ltd. May 2006. *A Red Tape Evaluation in Selected Indigenous Communities*. Sydney; ANAO Audit Report No. 10 2007-08 *Whole of Government Indigenous Service Delivery Arrangements*. Canberra; NTER Review Board. 2008. *Report of the Northern Territory Emergency Response*. Canberra. Office of Evaluation and Audit (Indigenous Programs). 2009. *Evaluation of Service Delivery in Remote Indigenous Communities*. Canberra; SCRGSP. 2009. *Overcoming Indigenous Disadvantage: Key Indicators 2009*. Productivity Commission, Canberra; Dwyer, J., O'Donnell, K., Lavoie, J., Marlina, U. & Sullivan, P. 2009, *The Overburden Report: Contracting for Indigenous Health Services*, Cooperative Research Centre for Aboriginal Health, Darwin. Morgan Disney and Associates Pty Ltd. December 2009. *Lessons to inform the Remote Service Delivery Strategy and Government business practices*. Canberra.

regularly since that time with key line agencies participating in the development of reforms to Commonwealth funding arrangements and contracting management.

Key CAWG products that aimed to support common business practices by Commonwealth agencies have been:

- development of a set of 'Standard Terms and Conditions' including common 'Supplementary Conditions' for greater consistency in Commonwealth funding;
- promoting a common approach to developing 'Performance Indicators' that focuses on fewer, smarter Output, Quality, and Outcome measures; and
- facilitating greater consistency in 'Risk Management' approaches and common tools for use with organisations and projects.

Coverage of the Reforms

CAWG's Terms of Reference do not extend to 'monitoring' the take up within agencies of the recommended contracting frameworks (or their impact on funded organisations) however an informal survey undertaken by CAWG for the Review indicates that coverage is only patchy. CAWG has no mandate to 'enforce' adoption of its contracting frameworks.

There has been some limited monitoring for CAWG consistency in those Indigenous programs that are managed through the FaHCSIA-hosted Grant Management System (GMS), however these programs comprise less than 20 per cent of the more than 200 Indigenous programs identified in this Review:

- DoHA and DEEWR who collectively manage a sizable portion (38 per cent) of the Commonwealth's Indigenous programs do not use the GMS (excepting for the Indigenous Sport and Recreation Program)
 - Both these agencies have advanced the position that greater administrative benefits for Indigenous organisations funded by them would be realised from internal (to their own agency) harmonisation and streamlining of funding arrangements. The Review would expect the CAWG framework to directly influence their internal harmonisation work program, so that greater alignment of program arrangements across the Commonwealth can continue to be realised.
 - It is noted elsewhere that OATSIH (within DoHA) has recently reviewed its program reporting framework and reduced by one third its reporting requirements from Indigenous primary health care services.
- FaHCSIA who is responsible for 24 per cent of Indigenous programs (not all within GMS) has led everyone, adopting these reforms not just for their Indigenous programs but for all FaHCSIA programs so that all organisations funded by them will benefit from these reforms, including in the many situations where Indigenous and other organisations source funding from multiple program areas to support their clients. FaHCSIA is to be commended for this leadership.
- DEWHA and AGD (accounting for around 20 per cent of Indigenous programs) have also generally sought to incorporate these reforms for their management of Indigenous funding, but some unevenness is still present.

The Review has no basis for assessing the extent of adoption by other Commonwealth agencies with Indigenous programs or other mainstream funding that targets Indigenous Australians.

Demonstrable change must be realised

In light of the absence of any overarching monitoring and evaluation of the reforms promoted to date, it is uncertain how effective the last three years effort by CAWG has been. Anecdotally, Indigenous organisations continue to complain about the complex funding environment, with the attendant administrative burden. Whilst participating in CAWG activities and noting their 'products', Commonwealth agencies do not appear to be fully embracing the Government's commitments to 'cut red tape' in its funding agreements with Indigenous communities. Other reforms proposed in this Review aim to alleviate the complex Indigenous program landscape, but in many situations that will be for little gain if more progress is not made in simplifying the contractual practices of the Commonwealth.

RECOMMENDATION

- 86.** Priority should be given to achieving greater consistency and coherence in approach to program management across Commonwealth agencies, particularly where there are important interactions between related Commonwealth programs.
- 86.1.** The current CAWG Terms of Reference should be amended to include a mandate for monitoring consistency and coherence in program management practice across participating agencies.

Priority focus on those program areas with important local connections

In its consultations for this Review, CAWG members advised that their original work program had sought to focus on those areas where they believed most value would be derived; as a result, they focussed their attention to Terms and Conditions in Funding Agreements, Performance Indicators and Risk Management approaches. This initial prioritisation process appears justified to the Review – given that in 2009-10, around 80 per cent of Indigenous program funding was distributed via some form of Funding/ Service/ Grant Agreement²³⁶.

While there are a number of other areas ripe for attention by CAWG, the Review strongly recommends that priority be given to achieving greater commonality in approach across Commonwealth agencies where there are important interactions between related Commonwealth programs - for example, in early childhood development, youth programs, family support and community safety, and other place-based approaches where multiple agencies were directing funding towards common/shared objectives, and often engaging with the same local Indigenous organisation/s who had demonstrated their capacity to work holistically and collaboratively with multiple funding and local partners in the interests of

²³⁶Based on analysis of Agency's Program Surveys to this Review, excluding N/A and Nil responses.

shared clients. Consistency in practice here would reap significant benefits in reduced administrative burden for our critical partner organisations.

Other issues for further attention by CAWG

Other issues of concern brought to the attention of the Review include:

- there is a need for a shared Commonwealth repository of organisational entity credentials and documentation, so that each time an organisation (Indigenous or other) applies for funding it does not need to re-establish its identity with the Commonwealth;
- the proliferation within Funding Agreements of agency/program-specific 'supplementary conditions' – outside of the commonly developed supplementary conditions. The Review is appreciative that there are justifications for distinct approaches in different circumstances, and the CAWG Framework allows flexibility to meet special circumstances. Nonetheless, the Review has been somewhat bemused by agencies' strong advocacy of the uniqueness of their situation/s in so many program areas, notwithstanding that the contracting party in each case is the 'Commonwealth of Australia'. This issue needs re-examination and changes to the common supplementary conditions or stronger justifications by agencies;
- the absence of a common approach across agencies to relationships and funding arrangements with shared stakeholders, through exploring use of head agreements and other streamlined contracting options; and
- Indigenous organisations with multiple funding agreements would also benefit from an even and predictable cashflow – presently, there is minimal commonality in the scheduling of Commonwealth payments to Indigenous organisations, with each program devising its own payment schedules. Outside of project-type payments that are generally attached to specific milestones, other regular service payments should be more aligned for regularity and more even cash flows.

Need to role model and influence state agencies in the same directions

Whilst there is substantial room for improvement in harmonising Commonwealth agencies' funding arrangements, increasingly Indigenous organisations are also accessing funding from States and Territories. There is a clear leadership role here for Commonwealth agencies to work with their sister agencies in States and Territories to mirror the streamlining principles and approaches proposed in Commonwealth funding practice.

Opportunities to instil reciprocal approaches to governance and accountability from the Commonwealth and States and Territories should be actively pursued.

This would be especially pertinent in the education and health sectors, where DoHA and DEEWR have advocated the benefits of greater sectoral alignment in funding approaches. The Review notes that OATSIH (within DoHA) is already working collaboratively with some jurisdictions in this regard and has established complementary reporting and risk assessment approaches with NSW, WA and Victorian Governments for Indigenous health funding.

RECOMMENDATION

- 87.** Commonwealth agencies should work with relevant state agencies to seek to align funding and reporting requirements within each sector.

Sustainable, long term relationships and patient funding should be the norm not the exception

A significant issue remains the length of the funding period routinely offered in Commonwealth Indigenous funding programs. According to agencies' advice to this Review²³⁷, almost 30 per cent of Indigenous programs still distribute their funding via short term (12 months or less) contracts, with no ongoing commitments i.e. the organisation concerned needs to re-apply for funding each year, with no certainty for its clients, staff or organisational sustainability of ongoing service provision. It is commendable that most Indigenous programs offer funding terms of more than 1 year.

It is acknowledged that some of the drivers for short term funding include Budget considerations which can work against ongoing certainty in funding, and a preference to only agree funding on a year-by-year basis so that 'announceables' can indicate on-going attention by government to the objectives of the program.

Another issue impacting on government's capacity to establish durable, robust and trusting relationships with Indigenous communities is high staff turnover – both within service providers and in government. Indigenous communities will often equate effective working relationships with staffing continuity, so recruiting and retaining the right people for key government liaison roles is vital to a sustainable and effective relationship.

Risk management is also a critical issue. It is acknowledged that for some organisations, an assessment of their organisational risk warrants close(r) and regular monitoring and coaching and, at the extreme risk level, direct and forceful intervention in service management and administration is required to ensure continuing service delivery in critical areas (e.g. health services and others) and to secure appropriate use and accountability of public funds.

However, in those areas where an ongoing service is essential and/or desirable (acknowledging the reality of the timeframes needed to drive lasting change in many areas), and the risk assessment of the provider warrants, the default funding position should be a minimum of three years, with options for extension built into the contractual arrangement. The Review notes that over 20 per cent of Indigenous health services funded by OATSIH (within DoHA) are on multi-year funding agreements, and OATSIH expects this to rise to 80 per cent of Indigenous health services by mid 2011.

²³⁷ *ibid.*

RECOMMENDATION

- 88.** Program managers should make available longer term funding arrangements (such as for three years with options for extension), where relevant service is acknowledged as an ongoing need and risk assessment of the service provider warrants this approach.

Risk management rather than risk aversion

The Red Tape Review cited earlier noted, among other matters, that the Australian Government's program and contract management style is more famed for its risk 'aversion' than its risk 'management' - often manifesting in an operational paradigm of 'rigid compliance' rather than one of 'enabling communities'. As noted elsewhere in this Review, empowering and building capacity of communities and local organisations and services will be critical to their long term success and governance.

It is noted from our Review²³⁸ that only around 75 per cent of Indigenous programs have a risk management plan in place; of those that don't, around 30 per cent of these programs are in the Economic Participation functional area. CAWG's work here is useful, but there needs to be more active adoption of risk management tools and practices by agencies and their staff.

A Discussion Paper for the APS Review²³⁹ (the Moran Review) noted that to develop a culture where innovation and creative policy making is more likely to be supported, then *'the APS needs to have greater tolerance for failure'* and support *'carefully considered risk taking'*.

Media reporting of some Indigenous communities focuses more on the 'failure' and 'dysfunction' than the successes, leading many public servants and their managers to seek to minimise rather than manage risk. As a consequence, they tend to develop overly cautious, excessive, and, at times, stifling monitoring regimes with Indigenous communities and organisations.

Realising the desirable innovation and capacity for creative responses from public servants and Indigenous communities alike will require a long term investment by governments and public officials. But it is clear that whatever APS strategies are chosen to embed a culture that is supportive of a 'tolerance for failure', this must extend beyond its own staff management practices to those who are key partners in our policy objectives.

²³⁸ *ibid.*

²³⁹ Advisory Group on Reform of Australian Government Administration., *Reform of Australian Government Administration: Building the world's best public service*, Department of the Prime Minister and Cabinet, Canberra, 2009.

Policy focussed performance indicators

An analysis of agencies' responses to the information survey conducted by the Review²⁴⁰ indicates that around 75 per cent of Indigenous programs covering more than 90 per cent of Indigenous expenditure use a performance management framework that is aligned to the CAWG Performance Indicator framework – that is, a small selection of 'smart' indicators that seek to measure:

- How much was done?
- How well was it done?
- Did it achieve what was expected?

This is encouraging, and according a role for CAWG in monitoring utilisation across agencies of the full range of its products and protocols could inform further work aimed at widening their use across agencies. This should be given priority in those areas where Indigenous organisations most frequently have to manage multiple closely related programs. It would also be useful if CAWG could survey Indigenous organisations to assess the scale and most appropriate focus of its further work. In addition, a more common approach opens up the possibility of shared data collection and monitoring of outcomes.

In an environment of heightened expectations of governments, an improved whole of government approach in this area is essential.

Whole of government grant management system

Another issue often reported by Indigenous organisations and agencies is the complexity of the Commonwealth's various funding application processes, with insufficient lead times for preparing submissions, using overly complex application forms, followed by lengthy assessment phases, and insufficient feedback on outcomes, combined with other issues discussed earlier.

The GMS, managed by FaHCSIA, is a program management and grant payment tool used for only a minority of our Indigenous programs – largely a database developed to manage programs inherited following the dissolution of ATSIC. Some agencies commented that they viewed GMS as having potential for wider application, but that unless further management and reporting capability was developed, they may withdraw from GMS altogether and devise their own grant management systems.

There would be considerable benefits from investigating options for a whole of government program management and grant payment system. With the planned national rollout of broadband, a web-based system that supported a streamlined e-solution (from information and enquiry, to application phase to service reporting and funds acquittal to program management) for all parties is now an option that should be actively explored. At present, some Indigenous organisations in remote areas report difficulties in maintaining reliable access to the internet and email. So, careful scoping of agencies' and services' current and future needs along with scoping of the capability of Indigenous organisations to effectively

²⁴⁰ Agency's Program Surveys to this Review. *op. cit.*

use such facilities is the first step. The vision of an end-to-end e-solution can then be assessed for its costs (which may be high) and benefits (which may warrant this investment).

In any case, some re-engineering of the current GMS would seem to be needed, to avoid a proliferation of new grant systems in agencies.

As noted in this Report, OATSIH is developing a web-based reporting solution that will automatically extract aggregated health outcome data from the Patient Information Recall Systems used in primary health care services. This reporting facility will improve the accuracy of the reported information, and reduce administration for services, while delivering quality, regional health outcome data for the first time. This streamlined reporting capability should be further examined for its potential in this context.

RECOMMENDATION

- 89.** A scoping study should be undertaken to assess the feasibility of a whole-of-government Indigenous grant management system, including the option for end-to-end e-solution for funders and service providers.

Need for revised Program Guidelines to support reforms and *Closing the Gap* objectives – now and for the future

Many of the recommendations and reforms proposed in this Review – (re)aligning programs to support policy objectives and COAG Service Delivery principles, transfer of functions, consolidation of programs, creating greater flexibility in funding arrangements, among others - will require agencies to revise the extensive suite of existing Indigenous specific program guidelines, and also those guidelines used for mainstream programs that also target Indigenous Australians.

It is important that this exercise be given the serious consideration it deserves by agencies – program guidelines are (rightfully) held up as the authority for decisions on funding within the relevant program areas. This work can make an important administrative contribution to the success of the Commonwealth’s policy objectives for all Indigenous Australians.

It is also notable that in consultations for this Review, many agencies viewed the current inflexible funding practices and approaches in many program areas to be a function of the operational impact of the Commonwealth’s Financial Management Framework, the accompanying legislation and the new *Commonwealth Grant Guidelines* (CGGs)²⁴¹. This is a commonly held misconception; the uncomfortable reality is that most of these restrictive practices are self-imposed - by each agency, through its own Chief Executive Instructions and the internal replication of strict, inflexible and risk averse approaches to program management.

²⁴¹ Department of Finance and Deregulation, *Financial Management Guidance No. 23, Commonwealth Grant Guidelines: Policies and Principles for Grants Administration*, DoFD, Canberra, 2009.

In this regard, while the new CGGs do impose some mandatory obligations that must be adhered to in managing grants consistent with the Financial Management Framework, they otherwise establish a policy framework that enables agencies to determine their own grants administration practice. In general, they avoid prescribing specific or restrictive program management practices and focus on seven key principles for grants administration:

- robust planning and design;
- an outcomes orientation;
- proportionality;
- collaboration and partnership;
- governance and accountability;
- probity and transparency; and
- achieving value with public money.

None of these principles are inconsistent with the principles espoused and promoted in this Review.

In revising or developing new guidelines, agencies should adopt a more flexible program management approach; where feasible and appropriate, making more use of 'menu' approaches rather than highly restrictive and confined 'eligible activities'; financial delegations should be devolved as sensibly as possible (see below) to enable local program staff to package program responses flexibly and take account of local needs and priorities.

It is also notable that in preparing the CGGs, Ministers explicitly sought greater visibility of their agencies' management practices. Clause 3.22 of the CGGs specifies that any *new* program guidelines and/or material changes to existing guidelines require Expenditure Review Committee (ERC) approval. In the context of this Review, Finance has advised that the changes to program arrangements arising from this Review would be of interest to ERC.

RECOMMENDATION

- 90.** Program management guidelines should encourage use of broad-banded/consolidated program frameworks to provide greater flexibility to enable local providers to adapt available funding to the local service environment, making use of available baseline information, and to reflect community needs.

Alignment with COAG Service Delivery principles

Disappointingly, it seems that most program managers have not yet reviewed and reflected the *COAG Service Delivery Principles for programs and services for Indigenous Australians* in their program guidelines. Analysis of agency advice to the Review's²⁴² indicates that over 80 per cent of Indigenous programs covering over 60 per cent of administered Indigenous expenditure have not yet been reviewed for their alignment with these COAG principles.

²⁴² Based on analysis of Agency's Program Surveys to this Review, excluding invalid and Nil responses.

This needs immediate rectification, if the Commonwealth's investment is to have the desired impact.

RECOMMENDATION

- 91.** Program managers should be required to align their program guidelines with the *COAG Service Delivery Principles for programs and services for Indigenous Australians*.

Devolution, delegation and local experience are under-utilised tools

In addition to more flexible program guidelines, another key program management tool that would enable our existing programs and local service providers to respond with greater agility to local needs is devolving funding delegations, consistently across the Australian Government in support of a common business model, especially in those programs where local inter-connections are critical to their effectiveness.

A number of the reviews referenced earlier identify highly centralised decision making as an inhibitor to addressing known or emerging issues in specific communities. Key issues highlighted in this regard are the lengthy delays in some agency's decision making to respond to urgent needs, and restrictive conditions on use of funding imposed in the name of 'national consistency'.

As part of consultations for this Review, some agencies were very supportive of this issue and already have a devolved operating environment. Other agencies, though, were more cautious about devolving funding decisions to local or regional or even State or Territory Office staff, based on past experiences which saw regional inequities emerge and inconsistencies in program funding decisions. Another rationale proffered was the community and service provider pressures that locally based staff would be subject to, should they also be directly responsible for funding decisions. Other agencies suggested that the relatively small scale of their grant programs meant a local presence was not cost effective, but that does not preclude delegation of relevant authorities with appropriate guidelines to RSD or ICC managers..

Nonetheless, the Review is satisfied that several administrative strategies – consistent with the Financial Management Framework, CGGs, and reformed program parameters such as recommended in this Review - can be readily employed to ensure balance between local flexibility and decision making and equity in regional resource allocation and consistency within the national parameters of program funding on the other.

These issues will be even more important in regard to the RSD Strategy, where departmental staff in regional areas will need sufficient decision making authority to enable effective, seamless local service delivery. They will also need capacity to flexibility allocate funds from a range of government programs as best they see fit to meet local needs and *Closing the Gap* targets.

Consistent with COAG Service Delivery Principles, there is also a need to provide opportunities for local/regional agency staff to have more input into Indigenous policy and program design. These staff generally have knowledge of Indigenous community needs, including comparative needs between communities and regions, combined with intelligence on the performance of local service providers and the desirable on-the-ground interactions between different services and funding streams. These experiences and knowledge are largely missing from our policy formulation, program design, and centralised funding decisions. Consistent with other proposals in this Review to strengthen and value APS staff involved in program implementation and service delivery, we need to recognise and make greater use of this key intelligence.

CAWG should have a role in monitoring adherence to proposals for common devolution of delegations, especially for those services which have important interactions at the local level.

RECOMMENDATION

- 92.** Departments should facilitate coordination of local decision making on delivery of services by adopting a common level of delegation for interacting programs:
- 92.1** AGD and DoHA currently have highly centralised delegation structures that should be devolved in selected areas, particularly to match structures already in place for FaHCSIA and DEEWR.

CHAPTER 8: REFORMING SERVICE DELIVERY

*Good policy can only be good policy if well implement...Not a great deal is new, but a great deal is forgotten.*²⁴³

Introduction

Commentators on the various efforts by governments over the years to improve the wellbeing and prospects for Indigenous Australians have made the observation that governments generally are good at developing strategies and policies for addressing Indigenous disadvantage but poor at implementation and, in particular, service delivery. Both Bill Gray, former Australian Electoral Commissioner and former head of Aboriginal and Torres Strait Islander Commission (ATSIC), and Fred Chaney, Chair of Reconciliation Australia and former Commonwealth Government Minister for Aboriginal Affairs, have commented that while a great deal of time and effort is dedicated to thinking up new and innovative policies, without careful consideration of implementation strategies, these policies are often doomed to fail.²⁴⁴

The Productivity Commissioner, Robert Fitzgerald, has made the comment that *'we don't need clever policy solutions nearly so much as sensible, straightforward policy, very well delivered'*.²⁴⁵

The delivery of government programs and services to Indigenous Australians has had a long and chequered history. Since the creation of the Commonwealth Department of Aboriginal Affairs by the Whitlam Government in 1973, governments in Australia have struggled to develop strategies that could effectively advance the position of Indigenous Australians. At the Commonwealth Government level, the Department of Aboriginal Affairs was replaced in 1990²⁴⁶ with the ATSIC and then in 2004, ATSIC was disbanded with its various program and service functions being allocated across a number of Commonwealth departments and agencies.

At the time ATSIC was disbanded, there was a strong push for a whole of government response to service delivery to Indigenous Australians. As a result, ATSIC regional offices were converted into Indigenous Coordination Centres (ICCs). Under the management of the lead agency on Indigenous issues, initially the Office of Indigenous Policy Coordination (OIPC) (firstly located in the Department of the Prime Minister and Cabinet and subsequently placed in the Immigration and Multicultural and Indigenous Affairs portfolio) and now the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA), these ICCs were intended to provide a focus for the delivery and management of Indigenous specific programs, work on improving Indigenous access to mainstream services,

²⁴³ B Gray, Presentation to DEEWR and FaHCSIA officers, Canberra, September 2009.

²⁴⁴ *ibid.*

²⁴⁵ R Fitzgerald, Strategic Review of Indigenous Expenditure team meeting with Robert Fitzgerald, Productivity Commissioner, 20 October 2009.

²⁴⁶ Aboriginal and Torres Strait Islander Commission & Department of Parliamentary Services, *The End of ATSIC and the Future Administration of Indigenous Affairs*, report prepared by A Pratt & S Bennett, Department of Parliamentary Services, Canberra, 2004.

act as a point of engagement with Indigenous communities and stakeholders and provide feedback and input to program design and implementation decisions.

Over the last five years, the Commonwealth has tried a range of strategies aimed at delivering effective outcomes for Indigenous people living in remote Australia. Each of these strategies has involved the engagement with and/or involvement of local Indigenous communities in the design and delivery of programs, along with commitments to shared responsibilities or mutual obligations on the part of all parties. These strategies have included the COAG trials, strategic interventions, shared responsibility agreements and regional partnership agreements.

The Northern Territory Emergency Response (NTER)

The NTER was announced by the former government on 21 June 2007. The NTER was a set of measures designed to protect children and make communities safer, and to build a better future for people living in Indigenous communities and town camps. Specific legislation was passed by the Australian Parliament in August 2007 to support the NTER. These legislative amendments included the explicit suspension of the *Racial Discrimination Act 1975*.

An important feature of the implementation of the NTER was a strong emphasis on a whole of government focus. The then Prime Minister, John Howard, and the then Secretary of the Department of the Prime Minister and Cabinet, Peter Shergold, were actively engaged in making sure that all Ministers, departments and agencies involved in delivering the NTER worked together to deliver an integrated set of programs and services to Indigenous people in the Northern Territory within very tight and demanding timeframes.

At the operational level the intervention involved the establishment of a whole-of-government Operations Centre and the employment of Government Business Managers (GBMs) who were FaHCSIA staff but located in the NTER communities.

As discussed in more detail below, on 6 June 2008, the Australian Government appointed a NTER Review Board to conduct an independent review of the first 12 months of the NTER. One clear message that came out of the October 2008 report by the NTER Review Board was that while the previous Government had responded promptly to the issues raised in the *Little Children Are Sacred* report and had delivered a range of new and enhanced services and programs to remote Indigenous communities throughout the Northern Territory, this had been at the cost of a failure to effectively engage with many of these communities.

COAG and the COAG Service Delivery Principles

Following the formal Apology to Indigenous Australians by the Prime Minister, Kevin Rudd, on 13 February 2008, COAG subsequently agreed to establish and fund major new Commonwealth / State agreements revolving around achieving the *Closing the Gap* strategy and specific targets.

As explained in the Australian Government's February 2009 publication, *Closing the Gap on Indigenous Disadvantage: The Challenge For Australia*:

In the more than four decades since the 1967 Referendum, Australian governments have developed and funded policies and programs to improve the socio-economic status of Indigenous people, and overcome a long history of poverty and marginalisation. Progress has been made. Yet in 2009, despite the formal recognition of equality so many years ago, Indigenous people remain among the most disadvantaged Australians. Many simply do not have the opportunities afforded their fellow Australians, and many are not able to participate fully in our national life.

Too many Indigenous Australians experience unacceptable levels of disadvantage in living standards, life-expectancy, education, health and employment. Rates of chronic disease, mental illness and hospitalisation are significantly higher for the Indigenous population than the non-Indigenous population. Literacy and numeracy results for Indigenous students are consistently below the national average, especially in remote areas.

The gulf that exists between Indigenous and non-Indigenous Australians in these critical areas remains significant and, in some areas, is widening as the rate of improvement has been greater for other Australians than for Aboriginal and Torres Strait Islander peoples over recent years. In remote areas, successive governments have failed to properly coordinate their efforts and to fund them adequately, resulting in acute and visible need. In urban and regional areas, services provided for all Australians have not been accessed by or effectively delivered to Indigenous people. Blurred responsibilities have allowed Commonwealth, state and territory governments to avoid accountability for their failures.

The key COAG agreement aimed at *Closing the Gap* was the *National Indigenous Reform Agreement (NIRA)*. Included in that Agreement's schedules was a series of service delivery principles which were intended to provide a clear direction to government agencies at both the Commonwealth and State and Territory levels on how COAG expected government services to be delivered. In summary, these principles are:

- Priority Principle: Programs and services should contribute to *Closing the Gap* by meeting the targets endorsed by COAG while being appropriate to local community needs.
- Indigenous Engagement Principle: Engagement with Indigenous men, women and children and communities should be central to the design and delivery of programs and services.
- Sustainability Principle: Programs and services should be directed and resourced over an adequate period of time to meet the COAG targets.
- Access Principle: Programs and services should be physically and culturally accessible to Indigenous people recognising the diversity of urban, regional and remote needs.
- Integration Principle: There should be collaboration between and within Governments at all levels and their agencies to effectively coordinate programs and services.
- Accountability Principle: Programs and services should have regular and transparent performance monitoring, review and evaluation.

COAG also agreed to the implementation of the *Remote Service Delivery* (RSD) strategy. This was articulated in the *Remote Service Delivery National Partnership Agreement* agreed by COAG at its meeting on 29 November 2008.

At the Commonwealth level, the implementation of the RSD strategy is primarily the responsibility of FaHCSIA. The Secretaries Group on Indigenous Affairs (SGIA) provides whole of government leadership on the implementation, while the Executive Coordination Forum on Indigenous Affairs (ECFIA), which is chaired by the Secretary of FaHCSIA, acts as a Steering Committee for the implementation of the RSD.

The RSD Strategy aims to improve the coordination and delivery of services to 29 remote Indigenous communities by all levels of government. Under the RSD, there is a focus on driving reforms to service delivery for programs such as early childhood, schooling, housing and health. Engagement with local communities is identified as an important consideration, including attention to governance and leadership within Indigenous community organisations.

Implementation of the Northern Territory Emergency Response

The NTER comprised seven key measures covering welfare reform and employment; promoting law and order; enhancing education; supporting families; improving child and family health; housing and land reform; and coordination.

The measures were implemented progressively in 73 Indigenous communities and town camps across the Northern Territory. A number of Australian Government agencies were involved in the implementation and administration of the measures. It was estimated that the NTER measures directly affected 45,500 Aboriginal men, women and children, that is, over 70 per cent of the estimated Aboriginal population (64,500 in 2006) in the Northern Territory.²⁴⁷

Review of the Northern Territory Emergency Response

The current Commonwealth Government has continued with the implementation of the NTER, although the nature of that commitment was subject to the outcomes of an independent and comprehensive review. The review was initiated in June 2008 and the *Report of the Northern Territory Emergency Response Review Board* was released in October 2008. On 21 May 2009, the Government released its formal response to the review along with the paper *Future Directions for the Northern Territory Emergency Response*.

In its report, the NTER Review Board stated that in many communities the NTER was seen as a 'collective imposition based on race'.²⁴⁸ The Review Board commented that the 'support for the positive potential of NTER measures has been dampened and delayed by the manner

²⁴⁷ Northern Territory Emergency Response Review Board, *Report of the NTER Review Board*, Commonwealth of Australia, Canberra, 2008.

²⁴⁸ *ibid.*, p. 9.

in which they were imposed. The Intervention diminished its own effectiveness through its failure to engage constructively with the Aboriginal people it was intent to help.²⁴⁹

Nevertheless, the NTER Review Board did note that despite these very significant drawbacks, definite gains were observed as a result of the Intervention. The Review Board heard widespread, if qualified, community support for many of the NTER measures.²⁵⁰

The NTER has brought significant additional funding and government effort to Northern Territory remote Indigenous communities, with some important improvements including thousands of child health checks, extra police located in communities, improved school attendance and community stores being licensed and offering a wider range of stock including more fresh fruit and vegetables.

The NTER Review Board made the observation that improvements were needed to the operation of the NTER, but this did not just mean improving the operation of individual measures:

*A more integrated approach is needed. Just as housing issues underpin community health, so policing issues intermesh with family support which in turn is intimately connected with child and family health.*²⁵¹

The NTER Review Board noted the artificial divisions in responsibility for the delivery of the NTER measures reflected divided government agency responsibilities and funding sources:

*It is a chronic problem in establishing effective integrated services in Aboriginal communities. If the various NTER measures are to operate as a genuine suite of measures there needs to be adjustments in the machinery of government enabling better coordination of services, greater responsiveness to the unique characteristics of each community and high levels of community participation in the design and delivery of services.*²⁵²

The NTER Review Board went on to observe that the:

*significant government investment associated with the NTER [was] an historic opportunity wasted because of its failure to galvanise the partnership potential of the Aboriginal community' and 'the single most valuable resource that the NTER has lacked from its inception is a positive, willing participation of the people it was intended to help. The most essential element in moving forward is for government to re-engage with the Aboriginal people of the Northern Territory.*²⁵³

The findings and recommendations of the Review Board have been taken into account by the Government and a number of modifications have been made to the operation of the NTER as a result of these findings and recommendations.

²⁴⁹ *ibid.*, pp. 9-10.

²⁵⁰ *ibid.*, p. 10.

²⁵¹ *ibid.*, p. 10.

²⁵² *ibid.*, p. 10.

²⁵³ *ibid.*, p. 10.

For example, the operation of income management arrangements in the Northern Territory is being modified to be consistent with the *Racial Discrimination Act*, the delivery of services to NTER communities have been modified to improve engagement with the Indigenous communities and the Government reversed the previous government's decision to abolish the *Community Development Employment Projects* (CDEP) Program in 25 NTER communities and five town camps in the Northern Territory. Also, the Government has made an explicit commitment to a more respectful and supportive relationship with Indigenous Australians as part of its wider strategy for the *Closing the Gap* on Indigenous disadvantage.

While the key elements of the NTER continue to operate in the Northern Territory, the lessons learnt from the first year of operations of the NTER have been reflected in the design of the RSD strategy which is discussed later in this chapter. The NTER is increasingly being integrated into the RSD strategy with 15 of the NTER prescribed communities being classified as priority communities under the RSD.

Future of the Northern Territory Emergency Response

Key components of the Commonwealth legislation underlying the NTER expire during the second half of 2012. The *National Partnership Agreement for Closing the Gap in the Northern Territory* runs until June 2012. Funding by the Government for the NTER ceases after June 2012. Therefore, if funding is to be continued after June 2012, the Government will need to be in a position to consider any proposals during the 2012-13 Budget process at the latest. FaHCSIA has responsibility for conducting the evaluation of the NTER.

A draft whole-of-government evaluation strategy has been developed by FaHCSIA consistent with the *National Partnership Agreement for Closing the Gap in the Northern Territory*²⁵⁴. The draft evaluation plan has two broad goals:

- to establish whether governments have been effective in delivering a coordinated and integrated suite of services and initiatives; and
- to establish if this approach has led to an improvement in the safety, health and education outcomes of children and vulnerable people in the affected Northern Territory communities.

It is understood that the formal evaluation of the NTER will be undertaken during 2010 and 2011 with a report to the Minister by no later than December 2011.

The Review considers that it will be important that the evaluation is indeed a whole of government exercise which includes and involves all Commonwealth Government departments and agencies involved in supporting the NTER. It is being proposed by FaHCSIA in the draft documentation that the evaluation will not cover each of the NTER measures or programs that support the NTER 'as these are the responsibility of the relevant agency'²⁵⁵. However, while it is important that the evaluation focus on the overall outcomes of the NTER intervention, the success or otherwise of individual measures (such as the *School*

²⁵⁴ Department of Families, Housing, Community Services and Indigenous Affairs, *Draft Evaluation Strategy for the Northern Territory Emergency Response*, December 2009. (Document provided by Department).

²⁵⁵ *ibid.*, p. 6.

Nutrition Program) also needs to be taken into account to assist Ministers in making decisions about the value of continuing with the various NTER measures into the future.

Therefore, the Review suggests that FaHCSIA should develop a strategy in preparation for the cessation of the NTER and the *National Partnership Agreement for Closing the Gap in the Northern Territory* in mid-2012 to cover the transition to future arrangements including the possibilities of the transfer of some or all of the current NTER funding to the Northern Territory Government, continuing funding through the RSD strategy and/or the subsuming of NTER specific funding into mainstream programs.

The Review considers that the scope and timetable for the whole-of-government evaluation of the NTER should be reviewed to ensure that it properly informs the Government's consideration of options and allows a timely transition strategy to be put in place.

RECOMMENDATION

93. FaHCSIA should develop a strategy for transition to future arrangements once the NTER legislation ceases in 2012. Possibilities include the transfer of NTER funding to the Northern Territory Government, continuing funding through the *RSD* strategy and/or transition to mainstream programs.

93.1. The scope and timetable for the whole-of-government evaluation of the NTER should be reviewed to ensure that it properly informs the Government's consideration of options and allows a timely transition strategy to be put in place.

Indigenous Coordination Centres

When established in mid-2004, the original Indigenous Coordination Centre (ICC) model was designed around five key elements or assumptions:

- all agencies had a role in building partnerships with Indigenous communities and organisations;
- the ICC Manager was to exercise the leadership role in the ICC's whole of government work;
- all staff in ICCs and in regional, state and national offices of agencies would actively support effective whole of government collaboration;
- all agencies had both the opportunity and responsibility to respond flexibly to community-identified priorities for Shared Responsibility and Regional Partnership Agreements; and
- each agency was to build the capability of its employees and the agency more generally to undertake its Indigenous business in a whole of government way.

At its meeting 11 December 2008, the Secretaries' Group on Indigenous Affairs (SGIA) decided that FaHCSIA, in consultation with other agencies, should lead an internal review of the ICC model, including examining the roles and structures of the ICCs, to take into account the *Closing the Gap* approach to Indigenous affairs (and in particular the *National Partnership Agreement on Remote Service Delivery*) and the future of the NTER.

FaHCSIA review of the ICCs

The draft review of the ICCs, completed by FaHCSIA in mid-2009. Concluded that²⁵⁶:

- machinery of government changes and revised operating arrangements within agencies with ICC staff have seen significant changes in the level and mix of staffing. Some agencies had withdrawn staff and were now providing services to Indigenous communities more centrally.
- continued value was seen in the Australian Government having a significant regional presence across the country to facilitate its Indigenous affairs business, including in joint regional efforts with other levels of government. This presence provided Indigenous communities with an access point to government and a basis for building effective engagement and positive relationships with Indigenous people.
- maximum benefit from future ICC arrangements would be achieved from having the flexibility to meet local and jurisdictional needs rather than seeking to create a standardised approach across the country.

The ICC review noted that ²⁵⁷ the overall numbers of staff based in ICCs had decreased by a third since 2005. Some agencies had largely withdrawn staff from all or most ICCs, so that around two-thirds of ICC staffing at that time were FaHCSIA staff.

Currently, there are thirty ICCs located at:

- South Australia – Adelaide, Ceduna, Port Augusta;
- Western Australia – Broome, Derby, Geraldton, Kalgoorlie, Kununurra, Perth, Port Hedland;
- NSW – Coffs Harbour, Bourke, Dubbo, Queanbeyan, Sydney, Tamworth, Wagga Wagga;
- Queensland – Brisbane, Roma, Mt Isa, Rockhampton, Townsville, Cairns;
- Victoria – Melbourne;
- Northern Territory – Darwin, Alice Springs, Katherine, Nhulunbuy, Tennant Creek; and
- Tasmania – Hobart.

As at September 2009, there were 470 staff²⁵⁸ in the ICCs of which 275 were FaHCSIA staff, 30 staff were from state government agencies (i.e. the New South Wales Department of Aboriginal Affairs; Northern Territory Police; the Queensland Departments of Education and Communities and the Western Australian Department of Indigenous Affairs) and 165 staff were from other Australian Government agencies.²⁵⁹ FaHCSIA advised that some of the non-FaHCSIA staff working in ICCs did not work on ICC business but were effectively there as tenants.²⁶⁰

²⁵⁶ Department of Families, Housing, Community Services and Indigenous Affairs, *Indigenous Coordination Centre Review Report*, draft, FaHCSIA, November 2009, pp. 3-4.

²⁵⁷ *ibid.*, pp. 4-8.

²⁵⁸ Based on information provided by FaHCSIA to the Review on 7 January. Staffing figures are based on full time equivalent numbers.

²⁵⁹ Attorney-General's Department; DEEWR, DEWHA; IBA, the Indigenous Land Corporation, the Office of the Registrar of Indigenous Corporations and the Australian Sports Commission.

²⁶⁰ It should also be noted that support for the Government's Indigenous service delivery efforts is not limited to staff in ICCs. Staff from agency national and state offices (including FaHCSIA) work directly with

The ICC review noted that in the capital cities, ICCs had generally not followed the multi-agency model applied in remote/regional areas because it was considered and that there was a lower business need for co-location and intensive cross-agency collaboration. Most Commonwealth agencies expressed a preference to house their staff in their own State offices).

The ICC review found that the non-FaHCSIA agencies with staff still in ICCs had generally established their own staff management and program delivery/reporting arrangements for those staff which meant that those staff were effectively operating independently from the ICC Manager. In fact, in some ICCs there were agency staff who were present more as co-tenants with the ICC acting as a host site to enable an agency to have a state or regional office presence, for example, staff involved in conducting Indigenous Business Australia's (IBA) home loan functions.

It was noted by the ICC review that in urban and major regional areas, ICC initiatives were increasingly focused on whole-of-community/social inclusion approaches (rather than Indigenous-only), given the greater dispersion of the Indigenous population and the need to draw on mainstream programs rather than Indigenous specific ones.

In the report, FaHCSIA argued that despite changes in agency composition, ICCs were continuing to take a lead in presenting the face of the Australian Government with Indigenous communities. From the staff perspective, these collaborative opportunities were seen by FaHCSIA as helping to consolidate an understanding of agency programs and information sharing, although it was accepted that community engagement approaches were neither consistent nor systematic.

The Future Role of the ICCs

FaHCSIA consider that key continuing strengths of the ICCs are around their knowledge of Indigenous communities, organisations and issues in their region. The community and service network relationships are considered of importance, as is the capacity of the staff in the ICCs to design and implement responsive, flexible local partnership arrangements and agreements.

It was recognised by the ICC review that ICC functions into the future will require the diverse experience and skills needed to support both the ongoing business (so long as it is performed at local level) as well as to meet new priorities. However, achieving this will require better targeted training and capability development of staff located in ICCs to support the changing focus.

The ICC review considered that while contract management and intelligence gathering activities will have a continuing role, there will need to be a greater focus in ICCs on community engagement, coordinated planning and delivery (with and a greater development emphasis), notably in remote areas.

communities or with the ICC to deliver services. The staffing numbers in the ICCs do not take account of this effort, which can be considerable.

A number of non-FaHCSIA agency staff consulted by the Review have expressed the view that the ICCs are now really FaHCSIA offices rather than locations for whole-of-government activities. Concerns have also been expressed that too many staff in ICCs are involved in contract administration rather than engaging with Indigenous communities, service providers and stakeholders.

There is also the issue as to whether there is a continuing need for all thirty ICCs. The current ICC locations date back to the locations of former ATSIC regional offices and, therefore, do not necessarily reflect the needs and demands of current government policy and operational requirements.

The future of ICCs does depend to a significant extent on the willingness of agencies, other than FaHCSIA, to place staff in ICCs or to interact with the staff based in those offices. Amongst other Commonwealth agencies, there seems to be a level of discomfort at the idea of using FaHCSIA staff to represent their agencies in engagement, consultations and discussions with Indigenous leaders and communities.

It is not clear, for example, whether FaHCSIA employed government business managers (GBMs) and Indigenous engagement officers (IEOs) are being used as effectively as they could be. This raises the questions as to whether agencies are unwilling to use GBMs or IEOs because they are FaHCSIA staff or because agencies consider the GBMs and IEOs do not have the skills, understanding or the experience to effectively represent other agencies 'in the field'. Similarly, staff based in ICCs may be being underutilised by other agencies.

The Review considers that ICCs and their staff could be better used to engage with Indigenous communities and help deliver services not only on behalf of other Commonwealth agencies, but also for state and Northern Territory government agencies.

Given the geographic spread of the 30 ICCs, the Review suggests that consideration be given to the feasibility of making greater use of the ICCs and their staff to assist with the delivery of mainstream programs for Commonwealth, State and Territory governments. Such consideration should take into account the efforts of governments to improve the capability of mainstream programs to deliver services to Indigenous Australians. Also, any consideration should take into account broader service delivery reform initiatives such as the Human Services portfolio's 'Works for You' service delivery reforms.

If agencies other than FaHCSIA are unwilling to use staff in ICCs (even if some or all of those staff are employed by FaHCSIA) and are unwilling to use the GBMs and IEOs located in a number of remote Indigenous communities, then this is a missed opportunity for a genuine whole of government, single interface approach to service delivery, particularly in remote Australia.

In this regard, a whole of government approach to service delivery to Indigenous Australians does not necessarily require the co-location of Australian and/or state or territory staff in one physical location, but rather a recognition by relevant agencies of the need to work together in a streamlined and efficient way to deliver government services. Protocols should exist between agencies so that staff based in ICCs can access program managers and experts

from other agencies on an as needed basis to assist them in their interactions with Indigenous communities.

It has been argued that one of the reasons that service delivery is so difficult in remote Australia has been the desire of program managers to keep control over their programs at the cost of flexible and responsive service delivery. In reality, the current approach to decision-making by governments and the program based approach to accountability, governance, reporting and probity, effectively requires all Commonwealth government agencies to retain a program based focus. However, this reality should not preclude programs being delivered flexibly. As is illustrated elsewhere in this report, the Review has found that there are a number of programs operating across the Commonwealth where an appropriate balance has been found between program accountability and service delivery flexibility and responsiveness.

In considering the future role and functions of ICCs, it needs to be recognised that while FaHCSIA is only funded to provide accommodation for its own staff based in ICCs and is only funded to cover the salaries and overheads costs of its own staff based in that accommodation. Nevertheless, while ICCs are, in effect, FaHCSIA offices, as lead Commonwealth government agency on Indigenous matters, FaHCSIA has an important responsibility to work with and support other government agencies in their delivery of programs and services to Indigenous Australians. This responsibility includes facilitating other agencies placing staff in ICCs who are working on Indigenous service delivery matters.

Because of FaHCSIA's responsibility for the running of ICCs, the Review considers that it is reasonable and acceptable for FaHCSIA to seek cost recovery from other agencies that wish to use FaHCSIA office accommodation and staff housing or who wish to use FaHCSIA staff to act as agents for those agencies. In this regard, government agencies should have the freedom and flexibility to decide whether they wish to take advantage of FaHCSIA services (both people and facilities) on the understanding that cost recovery arrangements will operate.

As their name implies, Indigenous Coordination Centres, particularly in remote Australia, can and should perform a valuable role in:

- identifying needs, opportunities and problems;
- intelligence gathering and information sharing;
- facilitating improvements in governance and leadership amongst Indigenous communities and Indigenous community organisations and business activities and enterprises;
- facilitating engagement with Indigenous communities; and
- linking together the different government services required by Indigenous individuals, families or communities.

The future operation of ICCs should focus on its strengths -- functions that can be centralised or streamlined (such as 'back end' contract administration) should be moved out of ICCs into FaHCSIA (or other agency) national or state offices.

Location specific (or place based) program delivery is an important part of the Australian Government's delivery strategy for remote Indigenous communities. So the structure of

ICC's needs to be flexible to reflect the locations served by the ICCs. Nevertheless, it is not clear to the Review whether physically separate ICC offices continue to be needed in urban locations -- those ICCs' functions could be incorporated into existing mainstream agency offices, but with those mainstream agency offices focusing on improving access for Indigenous Australians living in urban areas to government programs and services.

To ensure the whole of government purpose behind ICCs is not lost, Commonwealth agencies should give priority to ensuring that they have an effective presence in ICCs and, as appropriate, in State and regional locations. To facilitate this, the Review proposes that FaHCSIA should enter into bilateral MoUs with agencies wishing to base staff and/or use services and facilities offered by ICCs. The MoUs would be designed to clarify the roles and responsibilities of ICCs and their staff, the services that they would be expected to provide to other agencies, the arrangements and support that would be provided to non-FaHCSIA staff based in the ICCs and to make clear cost recovery arrangements.

The staff that are located in ICCs or in offices covering remote locations should focus on liaison, responsibility and support for on the ground staff, intelligence-gathering, contract management and dissemination as well as service delivery. 'Back-office' functions such as contract administration, tendering and acquittals should be centralised in national or state offices.

One key theme that the Coordinator-General referred to in his November 2009 report was the need for a 'single government interface'. To enable the Commonwealth to offer a genuine whole of government, single interface in delivering services in remote Australia, a coordination protocol should be instituted similar to that applying for the RSD communities, requiring all agencies to notify ICCs when they will have staff operating in their areas.

In moving back office functions into national and state offices, agencies should seek economies and streamline the back office functions to make savings and lessen pressures on remote operations.

In examining how best to restructure the ICCs, while introducing economies and savings from the consolidation of back office functions, FaHCSIA, in consultation with other agencies, should consider:

- the appropriateness of the current locations of the ICCs;
- the willingness of Commonwealth agencies to use the staff and services offered by ICCs;
- the opportunities for ICCs to support mainstream as well as Indigenous specific programs;
- the levels of community use, access and support of each of the ICCs; and
- the future roles and responsibilities of those ICCs that have effectively become converted into remote operations centres.

More broadly, in view of the critical importance of effective program implementation for the success of the Government's *Closing the Gap* strategies, the Review proposes that Commonwealth agencies should review the structures that are in place for their organisations and consider whether they are consistent with those required (including in their national and state offices) to facilitate delivery of whole-of-government initiatives at

the regional and community level and improve access for Indigenous clients to government programs and services.

RECOMMENDATIONS

- 94.** In view of the critical importance of effective program implementation for the success of the Government's *Closing the Gap* strategies, Commonwealth agencies should review the structures that are required (including in their National and State offices) to facilitate delivery of whole-of-government initiatives at the regional and community level and improve access for Indigenous clients to government programs and services.
- 95.** All agencies with significant Indigenous responsibilities should give priority to having an effective presence at the regional and local level.
- 96.** Indigenous Coordination Centres (ICCs) should be restructured to reflect changing operating requirements and the need to maintain their role as the whole-of-government interface with Indigenous communities and with service providers:
 - 96.1.** to clarify responsibilities, ICCs should be regarded as FAHCSIA offices that can provide accommodation and services for other agencies on a user-pays basis;
 - 96.2.** FaHCSIA should enter into bilateral Memorandums of Understanding with agencies wishing to base staff and/or use services and facilities offered by ICCs (or Regional Operations Centres);
 - 96.3.** staffing in offices covering remote locations should focus on liaison, responsibility and support for on the ground staff, intelligence-gathering and dissemination as well as service delivery;
 - 96.4.** back-office functions such as contract administration, tendering and acquittals should be centralised in national or state offices; and
 - 96.5.** a coordination protocol should be instituted, like that applying for the RSDs, requiring all agencies to notify ICCs when they will have staff visiting or operating in their areas.

Remote Service Delivery Strategy

The COAG National Partnership Agreement on Remote Service Delivery

The *National Partnership Agreement on Remote Service Delivery* provides for a total funding package of \$291.2 million over six years (with the Commonwealth providing \$187.7 million and the States and the Northern Territory \$103.5 million) to improve the delivery of services across 29 remote Indigenous community locations in the Northern Territory, Western Australia, Queensland, New South Wales and South Australia. These locations represent some of the largest concentrations of Indigenous Australians in remote Australia.

This Agreement provides for a new remote service delivery model with the intent that²⁶¹ Indigenous people in the remote locations should have improved access to the suitable and culturally-inclusive services required to make progress towards the COAG targets.

This would be achieved by all levels of government working together with clear roles and responsibilities and engaging effectively with Indigenous communities, with a primary focus on *Closing the Gap* in disadvantage and improving outcomes for Indigenous people.

In agreeing to the new National Partnership Agreement (NPA), COAG recognised that service delivery to remote Indigenous communities had lacked coordination across governments. Under the NPA, joint Commonwealth-State planning and coordination mechanisms have been put in place to ensure better coordinated service delivery, while Local Implementation Plans (LIPs) are being developed to guide planning and service delivery in each location. These plans are to be developed by working groups involving all levels of government, Indigenous community members and other stakeholders.

It is intended that access to services will also be improved through a focus on the way in which services are delivered, including the cultural competence of the services and the use of interpreter and translation services. Taken together these measures are intended to ensure that Indigenous Australians are able to engage effectively with government services.

RSD priority communities

The focus of Commonwealth and State and Northern Territory Government resources is on the following remote Indigenous communities:

- Northern Territory – Angurugu, Galiwinku, Gapuwiyak, Gunbalanya, Hermannsburg, Lajamanu, Maningrida, Milingimbi, Nguiu, Ngukurr, Numbulwar, Wadeye, Yirrkala, Yuendumu and Umbakumba;
- Queensland – the Gulf communities of Mornington Island and Doomadgee, and the Cape York communities of Aurukun and Hope Vale, together with continuing work in Coen and Mossman Gorge which are part of the Cape York Welfare Reform trial;
- South Australia – Amata and Mimili;
- New South Wales – Walgett and Wilcannia; and
- Western Australia – Fitzroy Crossing and surrounding communities, Halls Creek and surrounding communities, and the Dampier Peninsula (with a focus on Beagle Bay and Ardyaloon).

Over time, there is flexibility to identify other locations as RSD priority areas, consistent with the criteria in the RSD National Partnership Agreement.

Coordinator-General for Remote Indigenous Services

Experience in the delivery of the NTER has confirmed the importance of a ‘hands on’ role in the delivery of services, particularly in remote areas and where services are the responsibility of more than one agency or level of government.

²⁶¹ Council of Australian Governments, *National Indigenous Reform Agreement*, 2008.

The Prime Minister, in his *Closing the Gap Report* to Parliament on 26 February 2009, acknowledged the need for the effective coordination of government services in remote communities and announced the creation of the statutory office of Coordinator-General for Remote Indigenous Services.

Supported by a small team of staff, the Coordinator-General has the task of monitoring and reporting and providing strategic leadership on the implementation of RSD reforms. The Coordinator-General is expected to work collaboratively with Commonwealth, State and Territory officials and Ministers. However, he has the legislative authority to work across agencies to cut through bureaucratic blockages and red tape and to make sure services are delivered effectively.

Government Business Managers (GBMs) and Indigenous Engagement Officers (IEOs)

As part of the RSD strategy, GBMs are intended to be the single government point of contact in each of the priority community to make it simpler for Indigenous Australians to engage with Government.

The employment of GBMs was first introduced by the Commonwealth Government as part of the NTER. As with the NTER, under the RSD strategy, the GBMs are seen as key liaison and consultation points in communities. The role of these FaHCSIA employees is to engage with community leaders, elders, local service providers and Commonwealth, State and Territory Government agency representatives. They are expected to coordinate service delivery commitments on the ground and assist with community planning processes and agreement making.

During the rollout of the NTER, concerns over the ability of some GBMs to effectively engage with community leaders led to FaHCSIA employing IEOs in a number of local communities to work alongside the GBMs to assist in communicating information between their community and the government. As a result, it has been decided that IEOs will also be engaged for each of the 29 local communities to work with the GBMs.

The IEOs being employed are persons recruited from within each of the communities or who are 'acceptable' to the community in which they work. FaHCSIA has arranged special training for the IEOs in community engagement techniques, along with ongoing training in leadership and skills development so that they can effectively support these Indigenous communities.

The GBMs and IEOs are expected to work with all RSD stakeholders and are expected to monitor progress at the local community level, including during the development and actioning of the Local Implementation Plans.

FaHCSIA advises that it is currently conducting an internal review of the role and function of the GBMs to improve their effectiveness.

Chapter 5.5 drew attention to the difficulties that are currently arising on the ground in remote locations in coordinating the delivery of JSA, IEP and CDEP services. The Review is proposing that DEEWR in consultation with DHS and FaHCSIA should review staffing and

contract supervision in these locations taking advantage of the evolving role of the GBMs and IEOs.

Regional Operations Centres (ROCs)

A key element of the RSD strategy is the creation of Regional Operations Centres (ROCs) to support on the ground operations, including the implementation of the local implementation plans, across all 29 RSD priority communities. Six ROCs have been established at Broome, Darwin (with some staff based in Alice Springs), Mount Isa, Cairns, Dubbo and Adelaide to cover the RSD communities.

The ROCs are staffed by Commonwealth and state officers and, under the direction of the ROC Managers, are expected to work together with all relevant Commonwealth and state government agencies and service providers to ensure that service levels are consistent with services provided to other Australians in locations of similar size, location and needs.

The ROC Managers are leading regular meetings of a Regional Service Delivery Working Group. The Working Group consists of key service providers including Indigenous and non-government organisations, corporate partners and government agencies. The working group coordinates and addresses implementation issues that are unable to be resolved or managed at the local community level.

Boards of Management

In each of Western Australia, the Northern Territory, Queensland, New South Wales and South Australia, Boards of Management (BoMs) have been established as the whole of government management body for the 'single government interface'.

Led jointly by the FaHCSIA State Manager for the Commonwealth and by a State Government senior executive, the BoMs are expected to meet every four weeks to monitor progress within the priority communities. They are also expected to consider situation reports on each community and sign off the LIPs in their jurisdiction and ensure that implementation of these agreements meets agreed timelines and deliverables.

Membership of the BoMs comprises all relevant Commonwealth agencies (e.g. FaHCSIA, DoHA, DEEWR and Centrelink) and relevant State or Territory government representatives.

Local Implementation Plans (LIPs)

Each ROC is responsible for developing LIPs for each of the RSD priority communities under their overview. Each of the LIPs are intended to set out locally agreed priorities, actions, responsibilities and commitments made by all stakeholders, including the community, to closing the gap in real life outcomes between Indigenous and non-Indigenous Australians.

The LIPs are being developed based on needs identified through 'baseline mapping' including service delivery audits, and by local communities and other stakeholders (e.g. non-government organisations and business/industry partners), and are intended to be focused on local strategies. All 29 LIPs are meant to be in place and implemented by 30 June 2010.

An important role for the Coordinator-General will be to ensure that commitments made between the community, other stakeholders and governments under a Local Implementation Plan are achieved.

National Investment Principles in Remote Locations

The implementation of the RSD strategy is intended to be consistent with the service delivery principles agreed by COAG under the NIRA. Under the NIRA, national principles for investment in remote locations were agreed by COAG²⁶². In particular:

- remote Indigenous communities and communities in remote areas with significant Indigenous populations are entitled to standards of services and infrastructure broadly comparable with that in non-Indigenous communities of similar size, location and need elsewhere in Australia;
- investment decisions should aim to:
 - improve participation in education/training and the market economy on a sustainable basis;
 - reduce dependence on welfare wherever possible;
 - promote personal responsibility; and
 - engagement and behaviours consistent with positive social norms.
- priority for enhanced infrastructure support and service provision should be to larger and more economically sustainable communities where secure land tenure exists, allowing for services outreach to and access by smaller surrounding communities, including:
 - recognising Indigenous peoples' cultural connections to homelands (whether on a visiting or permanent basis) but avoiding expectations of major investment in service provision where there are few economic or educational opportunities; and
 - facilitating voluntary mobility by individuals and families to areas where better education and job opportunities exist, with higher standards of services.

First report by the Coordinator-General

The Coordinator-General presented his first report to the Minister for Families, Housing, Community Services and Indigenous Affairs on 30 November 2009 and the report was noted by COAG at its meeting on 7 December 2009.

In his report, the Coordinator-General commented that while it was clear that progress was being made against the seven COAG building blocks, this progress needed to be qualified. In particular, the Coordinator-General noted that the level of servicing was variable across the RSD communities and often bore little relationship to population or need.

Also, good governance within communities, *'which includes Commonwealth, State and Territory and Local Government presence and coordination and strong community*

²⁶² Council of Australian Governments, *National Investment Principles in Remote Locations*, Schedule E to the *National Indigenous Reform Agreement*, 2008.

*leadership are preconditions for success -- without these, the new investments are at risk.*²⁶³
The Coordinator-General went on later in his report to say:

*It is critical for governments to recognise that there is a capacity gap with respect to the new ways of working required under the National Partnership Agreement on Remote Service Delivery which goes well beyond the basic cultural competency training for staff. Agencies need to communicate to their staff at all levels that they are authorised to implement the new approach, and to assist them acquiring the skills and knowledge required for working in a whole of government way and to increase their understanding of service delivery in a remote community context. Agencies need to ensure there are strong and streamlined working connections between their officers and the Single Government Interface.*²⁶⁴

The Coordinator-General emphasised the need for mainstream agencies:

to embrace the whole of government approach, including considering the out-posting of staff to Regional Operations Centres for periods of time to assist Government Business Managers and Remote Operations Centres to coordinate new investment in a way that supports governments' Closing the Gap targets.

In addition, the Coordinator-General suggested that governance and leadership training needed to be pooled and tailored to local circumstances given the proportion of communities struggling with governance issues. The Coordinator-General proposed that:

In some cases, head office products and policy advice is not sufficiently tailored to meet the needs of individual communities. Over time, the interface between departments, Regional Operations Centres and Government Business Managers needs to shift from the provision of standardised one size fits all template products and training to one in which assistance is tailored to meet local circumstances. This could include:

- *the development of a consultancy approach to customised governance and leadership training whereby a head office professional or independent expert would partner a Government Business Manager working with community leaders to devise governance development strategies, best-practice interventions and/or training that can be delivered in individual communities;*
- *the provision of tailored community development support and training to assist Regional Operations Centres and Government Business Managers meet the particular needs of a local community; and*
- *the bringing together of school principals and employment services providers from the priority communities to share their views on 'what*

²⁶³ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, p. 2.

²⁶⁴ *ibid.*, p. 98.

*works' in improving attendance at school, engagement with adult education and employment.*²⁶⁵

The Coordinator-General also expressed particular concerns over the level of red tape affecting remote communities:

Representatives of service providers in almost every remote community visited pointed to deficiencies in government programs which hindered their implementation at the local level. The most critical of these include:

- *the myriad of contracts, reporting requirements and funding periods and the inability to tailor national, State and Territory programs to suit local circumstances;*
- *the failure to build into funding agreements, appropriate salary and housing considerations to attract and retain high quality staff; and*
- *fragmented and one off leadership and governance training and support which envisages program rather community accountability and ignores the multiple roles individuals may have in a remote community.*

*The Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs has achieved considerable efficiencies through its 'red tape reduction' activities in mainstream and Indigenous communities, reducing the complexity of funding agreements and standardising the period of contracts. These gains both need to be fully applied to the priority communities and could be an undertaking of governments as part of the Local Implementation Planning process. Consideration should also be given to assisting community organisations to pool administration and human resource functions to avoid duplication of back office functions*²⁶⁶

The Coordinator-General also noted that there were too many examples of small to medium-size infrastructure projects that were being delayed due to a combination of poor scoping and project management.

A key theme advocated by The Coordinator-General is the 'need for a single government interface'. He warned in his report that he would be monitoring the adherence of government agencies to the requirement to coordinate their activities through this single government interface, including the requirement that visits to communities were planned and coordinated with the relevant ROC.

The Review notes that for this to be achieved cost effectively, there needs to be a greater willingness for agencies to devolve on the ground interactions to a small number of skilled and experienced individuals able to effectively engage with local communities, service providers and other key stakeholders.

²⁶⁵ *ibid.*, p. 103.

²⁶⁶ *ibid.*

It is neither efficient nor sensible for every program delivering services in a RSD community to be sending its own staff on regular (or irregular) visits to remote communities. Similarly, rather than have agencies invest in placing staff on a full-time basis in ROCs, a more cost effective approach could be to make the commitment to have specialist staff available and committed to support the operation of the BoMs.

The Review also suggests that specialist agency staff should be available to support the effective negotiation of Local Implementation Plans and for those staff to be available to provide specialist advice to ROC staff and to GBMs on an as needed basis.

It is also important that Commonwealth and State agencies demonstrate their commitment to the ROCs by making sure that senior staff with a good understanding of the policy philosophy behind the RSD strategy regularly attend the BoM meetings.

The Coordinator-General also noted the widespread concern expressed to him about a lack of basic services in the RSD communities including limited postal services, banking and other government and service transaction functions. Even where these services exist, the level of support does not always match individual need. For example, it was noted that in many communities Centrelink representatives did not have sufficient authority to make decisions.²⁶⁷

In responding to this issue, it will be important that governments balance the needs of the community with the viability of providing those services to what are, in most cases, very remote and small communities. The *National Principles for Investment in Remote Locations* provide the framework for making these judgements.

Progress to date on implementing the RSD Strategy

As at December 2009²⁶⁸, all Bilateral Implementation Plans have been signed with all jurisdictions. The Review was advised by FaHCSIA that implementation of key measures is progressing, with the implementation focus having been on establishing new service coordination mechanisms (single government interface) in each jurisdiction in preparation for the commencement of the local implementation planning phase.

BoMs have been established in all jurisdictions, and meetings have been held in all jurisdictions. ROCs are operational in all jurisdictions with RSD priority communities.

GBMs are in place for all six Queensland and 15 Northern Territory communities, and temporary GBMs are in place in Ardyaloon, Beagle Bay and Fitzroy Crossing in Western Australia. Recruitment has been finalised in NSW and South Australia with the GBMs appointed and commencing in the communities before the end of 2009.

IEOs are in place in six Northern Territory communities. Recruitment is underway for the remaining nine Northern Territory communities and those in other jurisdictions, and staff capability and IEO development programs are under development.

²⁶⁷ *ibid.*, p. 102.

²⁶⁸ Working Group of Indigenous Reform, *Closing the Gap in Indigenous Disadvantage: Indigenous Reforms Progress Report*, Council of Australian Governments, 2009, p. 10.

FaHCSIA has advised that all elements of the baseline mapping process are expected to be completed by the end of the first quarter 2010. While this date is later than originally envisaged, this timeframe is not expected to impact on the development and agreement of LIPs with the intent still being that all LIPs will be agreed and in place by the end of June 2010. It is expected that the LIPs will be up-dated and revised as additional data and material becomes available through the baseline mapping process.

In examining the progress in the implementation of the RSD strategy, the Review notes that despite the language in the *National Partnership Agreement on Remote Service Delivery*, there is little evidence to date that program managers, primarily based in Canberra, are changing the operational parameters of their programs to help achieve the objectives and outcomes spelled out in the National Partnership Agreement.

A challenge for program managers and for officers responsible for the implementation of the RSD strategy is to consider what re-engineering of business processes and accountability frameworks is required to ensure that this can be done on a systemic basis and in a manner which is sustainable over time.

The Review also notes that the Coordinator-General expressed the view that Commonwealth agencies, other than FaHCSIA, are not committed to making sure that suitably senior representatives attend meetings of the BoMs, while the Coordinator-General also expressed disquiet at the lack of knowledge of State government officials about the COAG *Closing the Gap* strategy, the associated National Partnership Agreements and the role and functions of the ROCs and BoMs.

While the Review has been advised that there are good and strong working relationships between different Commonwealth agencies and relevant State and Northern Territory organisations at the ROC level, this level of cooperation is not necessarily being reflected at the national or state office level. Under the current administrative arrangements, FaHCSIA senior management is reliant on the strong cooperation of other Commonwealth agencies to deliver the RSD strategy. Consensus bodies such as ECFIA and the BoMs will only achieve the Government's aims if those attending the meetings have the authority and capability to deliver the outcomes agreed at those meetings.

In this light, the Review considers that there continues to be a need for FaHCSIA to take a strong lead role to ensure effective collaboration with and by other Commonwealth departments and agencies in implementing the RSD strategy.

If the RSD strategy is to be successfully implemented, then all other government agencies involved need to accept FaHCSIA's role as the lead agency and be willing to make the necessary commitment of the time, skills and expertise of key staff. Forums such as ECFIA, the BoMs and the RSD working groups and workshops need to be attended by agency officers with the authority and knowledge to effectively contribute to those forums.

In this regard, the Review notes that under the Closing the Gap COAG agreements, it is intended that Overarching Bilateral Indigenous Plans (OBIPs) be put in place between the Commonwealth and each of the states and territories. These OBIPs are designed to be more effective than previous bilateral agreements between the Commonwealth and the states

and territories because they will include implementation plans developed under all the Indigenous specific and mainstream National Partnerships and lead to a more robust governance reporting framework.

Under draft guidelines recently issued by FaHCSIA²⁶⁹:

it is proposed that bilateral committees would meet at least twice a year to review and jointly report on progress of reforms and other activities under OBIPs. In jurisdictions where RSD NP Boards of Management (BoMs) or State Operating Committees (SOCs) have been established, these would likely form the basis for overarching bilateral committees, with expanded membership where necessary to reflect the broader remit of OBIPs.²⁷⁰

As with the BoMs, it is proposed that membership should reflect the range of reforms included in the NIRA and OBIPs, and in addition to FaHCSIA would at least include DEEWR and DoHA, ideally at the state manager level. State and Territory membership would need to include an appropriate level of representation from agencies responsible for health, housing, education, employment and early childhood.

The Review notes that these OBIP guidelines are currently being negotiated with the states and territories. Nevertheless, FaHCSIA's expectation is that the OBIPs will be completed by the end of March 2010. There is also a concern that six-monthly meetings are not frequent enough to enable sufficient interaction between senior Commonwealth and state officials on the effective implementation of the *Closing the Gap* National Partnerships.

It is proposed in the draft guidelines that the existing RSD Boards of Management form the basis for the overarching bilateral committees in those jurisdictions where BoMs now exist. Given the similarities in structure and membership between the BoMs and the proposed OBIP committees and the potential delays in getting the OBIP governance and reporting arrangements into place, consideration could be given, at least as an interim measure, to the feasibility of expanding the role and responsibilities of the existing RSD BoMs so that they are given the task of monitoring jurisdiction level implementation of the *Closing the Gap* strategy. This would mean having to set up Boards of Management in Victoria, Tasmania and the ACT.

On a practical note, if the Review suggestion is taken up, then to avoid the necessary focus on the RSD issues being diluted through the proposed expansion of responsibilities for the BoMs, one option could be to have each BoM meet in two sessions, with the initial session focusing on RSD issues followed by a session focusing on the *Closing the Gap* strategy.

FaHCSIA also has a clear role to play in the effective communication to all staff involved in the RSD so that they all share a common understanding of the RSD strategy and its operations, they understand how best to participate in making the RSD a success and the changes in practice and culture that are needed.

²⁶⁹ Department of Families, Housing, Community Services and Indigenous Affairs, *OBIP Governance & Reporting Guidelines*, 2010. (Document provided by Department).

²⁷⁰ *ibid.*, p. 4.

The SGIA and ECFIA have important roles to play in providing clear strategic directions and endorsing comprehensive and robust project plans and risk management strategies which can be endorsed and then implemented by all Commonwealth agencies involved in the RSD.

Concerns have also been expressed at the quality and experience of some of the staff available to implement the RSD strategies in the ROCs and in the RSD Indigenous communities. During the implementation of the NTER it became clear that enthusiasm and commitment was no substitute for experience and that many officers who volunteered to work in remote communities under the NTER did not have the capability, skills or the understanding necessary to effectively engage with Indigenous communities or to negotiate on behalf of governments.

In this regard, as Morgan Disney and Associates noted in their October 2009 report for FaHCSIA, *Respecting Past Achievements and Learning for Change -- Lessons to Inform the Remote Service Delivery Strategy and Government Business Practices*, that it is not reasonable to expect staff who may be effective program administrators to be able to immediately become competent as development practitioners, community workers or change managers.²⁷¹

The challenges in developing and retaining good quality and experienced staff willing to work in remote Australia is dealt with in more detail in the section of the Review report on 'Building Capacity within Government'.

Impediments to effective service delivery to Indigenous communities

A number of the program and service delivery strategies have been put in place by the Commonwealth Government over recent years have been the subject of independent evaluations.²⁷²

In considering these evaluations, along with comments provided by a range of staff consulted as part of the Review's consultations, a number of consistent themes have arisen which are having an impact on the ability of a range of mainstream and Indigenous specific programs to deliver the outcomes sought by Government.

The impediments to the efficient and effective delivery of government funded services by Indigenous community organisations include:

- the focus by government departments and agencies on contractual rather than relational governance;

²⁷¹ Morgan Disney and Associates Pty Ltd., *Respecting Past Achievements and Learning for Change: Lessons to inform the Remote Service Delivery Strategy and Government Business Practices*, Canberra, 2009.

²⁷² These evaluations include: *A Red Tape Evaluation in Selected Indigenous Communities*, Morgan Disney & Associates, May 2006; *Report of the Northern Territory Emergency Review Board*, October 2008; *Respecting Past Achievements and Learning for Change -- Lessons to Inform the Remote Service Delivery Strategy and Government Business Practices*, Morgan Disney and Associates Pty Ltd, December 2009; *Overcoming Indigenous Disadvantage*, Productivity Commission, various reports since 2002; *Evaluation of Service Delivery in Remote Indigenous Communities*, Office of Evaluation and Audit (Indigenous Programs), April 2009; *Whole of Government Indigenous Service Delivery Arrangements*, Australian National Audit Office, October 2007

- the short-term nature of many government service agreements and contracts despite disadvantaged Indigenous communities requiring long-term place based interventions;
- risk averse behaviour by program managers which leads to constraints being imposed on service providers, Indigenous community organisations and 'on the ground' government staff;
- contractual, funding and reporting arrangements being put in place by program managers which effectively micro-manage service providers and locally based staff;
- the funding and regulatory practices of Australian governments are complex and fragmented and bring a heavy burden of acquiring, managing, reporting and acquitting funding contracts to both sides of the funding relationship. These problems arise from a lack of consistency in the reporting requirements of Commonwealth, State and Territory government funders which are then exacerbated by internal structures within departments that separate responsibility for policy from relationship development and from contract management;
- narrow approaches to program design which lead to:
 - fragmented programs (i.e. programs delivering similar services but comprising different measures and 'announceables' with different guidelines and reporting requirements); and
 - one-size-fits-all program guidelines with little or no input from those responsible for service delivery nor the Indigenous communities they service and a lack of flexibility to tailor program responses to meet individual community needs or react quickly to those emerging needs.
- high staff turnover, both within organisations and within departments, which inhibits the development of strong working relationships between departments and Indigenous communities and service providers; and
- feedback from government staff, service providers and Indigenous organisations based on local experience is missing from policy formulation.

Most of these matters are addressed in the separate chapter in this report on Program Management issues, including promotion of common contracting frameworks, providing for longer term contracts where risk assessments warrant and reviewing delegation frameworks to permit local decision making. The issues of overlap and duplication in programs and inflexibility in service delivery are of course key themes in this Review that are the substance of this Chapter and the proposals for consolidation elsewhere in the Report.

One issue that is not addressed elsewhere is the need to grow the capability of existing service providers and Indigenous community organisations at the local level. While in urban and regional areas of Australia that capability can be assumed to be available, in remote areas this is far from being a given, as there is often little choice in contracted service providers, a limited skill base and an absence of supporting infrastructure (e.g. for service provider premises or staff housing).

In this regard, there is a need to identify those service providers who use innovative approaches to addressing service delivery barriers, and support them to share their knowledge and strategies for improving service delivery with departments and other service providers. There is also a need to identify organisations that consistently perform well in relation to service delivery.

The Review suggests that consideration also needs to be given on widening the choice of service providers that can be available for government agencies to use. Many service providers are unwilling or unable to operate in remote areas due to a lack of infrastructure to support their activities and the lack of suitably qualified staff to provide the services and the costs associated with delivering services in these remote areas.

In these circumstances, Commonwealth agencies should consider moving to contracts which offer service providers business opportunities across a group of Indigenous communities. By offering larger contracts, more service providers may be willing to take up the business as the financial viability is improved through economies of scale.

The Review suggests that agencies should encourage Indigenous organisations, particularly those operating in remote locations, to consider contracting specialist organisations to provide their back office services so as to improve operating performance and enable them to focus on their primary functions.

RECOMMENDATIONS

- 97.** Program managers should encourage Indigenous organisations, particularly those operating in remote locations, to consider contracting specialist organisations to provide their back office services so as to improve operating performance and enable them to focus on their primary functions.
- 98.** DEEWR, in consultation with DHS and FaHCSIA, should review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations:
 - 98.1.** Noting that FaHCSIA is currently internally reviewing the ongoing role and function of GBMs
 - 98.2.** Staffing arrangements at the local level should have regard to the potential role of GBMs, Indigenous Engagement Officers (IEOs) and other field staff.

Service delivery for Indigenous people living in urban and regional locations

The *National Urban and Regional Service Delivery Strategy to Close the Gap in Indigenous Disadvantage* was agreed by COAG in July 2009. It was recognised by COAG that to address the disadvantage experienced by many Indigenous Australians living in urban and regional areas a multi-faceted approach was required and the achievement of improvements would take a considerable period of time.

The Strategy also recognised that Indigenous individuals and families needed to be the focus of this effort:

Boosting Indigenous demand for and take-up of services, strengthening Indigenous leadership and family and community well-being, individual capacity and responsibility for decision-making about their own lives, together with changes to health, education, housing, early childhood development and

*employment will see immediate benefits and improved longer-term outcomes for Indigenous individuals and their families.*²⁷³

The Strategy recognised the contribution of Indigenous specific and mainstream National Partnership Agreements (NPAs) in Health, Housing and Homelessness, Early Childhood, Education and Economic Participation to addressing disadvantage in urban and regional locations and the actions that needed to be taken by all jurisdictions to achieve outcomes for Indigenous Australians in urban and regional communities in a coordinated and targeted way.

Using this Strategy, all jurisdictions were expected to report to COAG by the end of 2009 on their progress in utilising the Indigenous specific and mainstream NPAs to improve outcomes for Indigenous people in urban and regional areas and the progressive roll-out of the Strategy. A review of the overall Strategy was planned to take place in 2012.²⁷⁴

However, it is understood that no report was presented to the December meeting of COAG and it is unclear when a progress report will be provided to COAG and, importantly, what steps are being taken by the Commonwealth and the States and Territories to implement the Strategy.

The proportion of the Indigenous population resident in urban and regional areas has risen markedly from 44 per cent in 1971 to 76 per cent in 2006²⁷⁵, with almost one-third now resident in major cities. While this remains considerably less than the total Australian population resident in major cities (63 per cent), it represents a substantial increase in migration to these centres over the past 30 years. The 2006 Socio-Economic Indexes for Area also shows that 45 per cent of Indigenous people aged 0-18 years live in highly disadvantaged areas.²⁷⁶

Even within the same suburb or large regional town, for a range of reasons, Indigenous Australians seem to fare relatively poorly in terms of employment, education, income and housing compared to non-Indigenous Australians. As with Indigenous people living in remote Australia, to date these disparities in outcomes have not been effectively addressed by governments. Instead, there has been a mixed response by all levels of government.

Improving Service Delivery in Urban and Regional Australia

To date, there has been no equivalent to the RSD strategy to support better outcomes for Indigenous people living in urban and regional Australia. The *Urban and Regional Service Delivery Strategy* agreed by COAG in July 2009 discusses in great detail the range of

²⁷³ Council of Australian Governments, *National Urban and Regional Service Delivery Strategy for Indigenous Australians*, Schedule B to the *National Indigenous Reform Agreement*, 2009, p. B-60.

²⁷⁴ Council of Australian Governments, *National Urban and Regional Service Delivery Strategy to Close the Gap in Indigenous Disadvantage*, 2009, p. 12.

²⁷⁵ Australia Bureau of Statistics, *4705.0 - Population Distribution, Aboriginal and Torres Strait Islander Australians*, ABS, Canberra, 2006.

²⁷⁶ Council of Australian Governments, *National Urban and Regional Service Delivery Strategy to Close the Gap in Indigenous Disadvantage*, 2009.

mainstream and Indigenous specific programs designed to assist Indigenous people. However, the Strategy is short on concrete suggestions and specific actions.

This lack of specific actions could be said to reflect the view that Indigenous people living in urban and regional areas should be expected to access mainstream programs. In that regard, it could be argued that Indigenous people living in cities and towns should be treated similarly to other disadvantaged groups in the Australian community.

Nevertheless, some agencies do recognise the particular needs of Indigenous people living in urban and regional areas by either providing Indigenous specific services within their mainstream programs or by supporting Indigenous community organisations to deliver the relevant mainstream programs.

Research into challenges facing governments in ensuring Indigenous people are well positioned to access government-funded services has identified a range of impediments, including:

- structural factors – poor planning and co-ordination across governments and government agencies has resulted in gaps, overlapping services and lack of clear roles and responsibilities between mainstream services providers and Indigenous community service organisations;
- Indigenous organisations and clients having to deal with multiple programs and agencies in order to address particular issues facing an Indigenous family;
- lack of infrastructure and transport issues for Indigenous Australians to access service providers;
- cost (or co-contributions) of some core services supplied by mainstream providers;
- service provider staffing issues – ranging from difficulties in recruiting and retaining staff with the right skills and experience, the challenges in securing skills and competencies required to manage complex issues (including lack of culturally aware staff and Indigenous staff) and inappropriate staff attitudes;
- Indigenous people's reticence to use government services due to their concerns over discrimination (perceived and real); and
- ineffective engagement by service providers with Indigenous clients (including the absence of a relationship of trust between service providers and Indigenous clients).

The impediments outlined above will have to be addressed if governments are to meet the *Closing the Gap* targets.

The Review is concerned that the focus on service delivery in remote Indigenous communities has meant that insufficient attention has been paid to putting in place strategies that will help in *Closing the Gap* in urban and regional areas.

Service providers, whether Indigenous or non-Indigenous, located in urban and regional locations are key 'partners for change' with governments in delivering quality, appropriate and timely services to Indigenous Australians. Their critical roles in delivering many government-funded services means they need skills and understanding to perform these roles. While there is usually a well developed range of services available in urban and regional locations, many service providers may only have had a limited exposure to Indigenous Australians, as they are generally a small proportion of the overall client population in the provider's service catchment.

Most Australian Government agencies have tended to assume that the capability to effectively interact with Indigenous clients is in place in their contracted providers or expect these skills to develop via osmosis. This assumption not only applies to private sector and not-for-profit service providers, it also applies to public sector providers such as State and Territory government agencies.

Where Indigenous specific service requirements are required or desirable, agencies will generally utilise strategies such as setting standards for service delivery within purchasing and funding requirements. These strategies would be considered sensible in many circumstances; however, they are a passive instrument and unlikely to be the immediate driver needed for systemic change in service providers to *Close the Gap* in service delivery capabilities, especially mainstream organisations in urban areas.

The Review's attention has been drawn to the 'bridging strategy' being developed by OATSIH as part of its contribution to the *National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes*. This 'Indigenous health bridging strategy' utilises a mix of financial incentives, systemic reforms, professional development and new workforce structures to build the capability of mainstream health services, especially in urban and regional areas, to support improved access and health outcomes for Indigenous Australians:

- financial incentives will be provided through *Medicare* to encourage accredited health services to provide better quality care for Indigenous Australians, especially those with a chronic disease;
- accreditation of primary health care services will include specific standards for services to Aboriginal and Torres Strait Islander people;
- health workforce training and mainstream clinical guidelines will be updated to include specific information on health care for Indigenous Australians; and
- new workforce structures to link Indigenous Australians to health services, and improve the patient journey through the health system will be implemented:
 - Indigenous Outreach Workers will work from general practices and Aboriginal Medical Services (AMSs) to reach out and connect Aboriginal and Torres Strait Islander people in their region with health services, and support them to attend appointments and ensure they understand key information and clinical advice about their health; and
 - Care Coordinators will also work from general practices and AMSs to coordinate the health care services for Indigenous people with complex and chronic conditions, facilitating their care in a timely and seamless manner.

Other possible strategies include the following:

- more effort being made to recruit, train and retain staff who have the skills and experience to effectively interact with Indigenous families and individuals living in urban and regional settings;
- agency staff need to be able to take on the roles of brokers or case managers who can work with service providers to make sure that Indigenous families in need are able and willing to access the services they need; and
- further work being undertaken to support Indigenous organisations who are helping to deliver mainstream services in cities and towns. In this regard, the Review suggests that the Community Support Services program be progressively reviewed to determine how effectively providers funded by the program are assisting Indigenous people to access and benefit from government programs and services.

One of the first tasks of the OBIP boards that are currently being established should be to develop practical and achievable strategies to improve access for Indigenous Australians living in urban and regional locations to available services.

The Review suggests that one option that could be considered would be putting in place an urban and regional equivalent of a RSD LIP using the same methodology and consultation approach.

Such a Plan, which would be funded from existing resources and programs, could be developed in a major regional centre such as Dubbo or Cairns or in a specific urban area with a relatively high proportion of Indigenous residents with the relevant ICC taking on the role of a local Operations Centre for the exercise.

RECOMMENDATION

- 99.** FaHCSIA, in consultation with other Commonwealth agencies and relevant State and Territory governments, should develop practical and achievable strategies to improve access for Indigenous Australians living in urban and regional locations to the full range of available mainstream and Indigenous specific services.
- 99.1.** One option that should be considered would be putting in place an urban and regional equivalent of a RSD Local Implementation Plan using the same methodology and consultation approach.
- 99.2.** Such a Plan, which would be funded from existing resources and programs, should be developed in a major regional centre such as Dubbo or Cairns or in a specific urban area with a relatively high proportion of Indigenous residents with the relevant ICC taking on the role of a local Operations Centre for the exercise.

Flexible funding arrangements

Given the complexity and entrenched nature of the problems facing many Indigenous communities, flexible funding arrangements are critical to making progress towards the *Closing the Gap* targets, most especially in remote areas.

The Review notes that FaHCSIA, as well as a number of other agencies, have argued that they need the capacity to support projects and activities that fall outside the scope of standard programs as well as the flexibility to respond to needs at the local level.

This is based on the experience gained by agency staff working in Indigenous communities which has shown that this type of program (with broad guidelines) acts as a catalyst to engage other stakeholders and supports innovation that can lead to longer-term, sustainable outcomes. It also provides the flexibility to take account of the priorities of Indigenous people themselves and enable the development of solutions best suited to local circumstances. FaHCSIA have stated that the Commonwealth can leverage a range of community-identified outcomes using smaller amounts of wisely invested funding.

From its examination of the current arrangements available to Commonwealth agencies, the Review considers that program guidelines can also be better designed to provide flexibility to match funding with a client or a location's particular needs. DEEWR's *Indigenous Employment Program* and FaHCSIA's proposed *Family Support Program* provide examples of broad banded programs with a menu of possible interventions that can be tailored to suit the requirements of the individual or location. Desirably, whether consolidated or not, program guidelines should provide for meaningful flexibility to enable the better matching of services with local need within the ambit of that program.

The level of delegation also has an important bearing on the flexibility to package program responses to best meet local needs. Centralised decisions (in an agency national office or a state office) can take account of advice from local officers, but such a process takes longer to gain approval and will be less responsive in a negotiating context.

Different approaches to Flexible Funding Pools

Increased flexibility can be provided to communities by pooling funding across programs and across agencies, particularly if the mix of that funding is responsive to community need. These arrangements, which have come to be known as Flexible Funding Pools (FFPs), were established in a number of agencies in 2006-07, with \$75m earmarked to facilitate the negotiation of regional partnership agreements and shared responsibility agreements.

However, the use of the funds in these flexible funding pools had to be accounted for against the program appropriations from which the funds were to be drawn – in that sense they have been described by some as 'virtual' flexible funding pools. So the principal gains from the approach lay in the earmarking of funds for the stated purposes, a clearer focus on those purposes and the encouragement of a cross-agency package approach.

The Northern Territory Flexible Funding Pool Special Account was established in September 2007 to assist in implementing the NTER strategy. Funds were allocated to a FaHCSIA Special Account to pay for the creation of real jobs replacing positions previously funded under the CDEP program. Funding could be accessed by other Commonwealth agencies.

In March 2009, the scope of the account was expanded to fund jobs and traineeships and from July 2009 the account was replaced by the Indigenous Employment Special Account.

The use of this special account has provided greater flexibility in the allocation of funds between agencies than did earmarking funds within individual agencies.

A third example of a flexible funding pool is the Indigenous Communities Strategic Investment program (ICSI) and its associated special account which are managed by FaHCSIA. The generality of ICSI's guidelines enable it to be used to fund activities that are of a complexity or nature that could not be anticipated through the available 'standard' programs.

FaHCSIA uses ICSI in this manner to facilitate responsive program management in remote locations. However, only a proportion of the funding is used for this purpose, with the balance directed to unanticipated national initiatives that some might argue should be dealt with through other budget mechanisms.

FaHCSIA has also established the NTER Local Priorities Fund with very similar flexibilities but earmarked to facilitate the delivery of the NTER. This fund has a budget of \$10 million in 2009-10.

A Flexible Funding Pool for the RSD Strategy

In his November 2009 report, the Coordinator-General proposed the establishment of more flexible funding arrangements to facilitate implementation of the RSD Strategy²⁷⁷ and a no-net-cost proposal to this effect had been put forward in the 2010-11 SIBS context.

In discussions with Departments, a number of options had been canvassed for a preferred approach to formulating this pool:

- little advantage is gained in establishing virtual pools if Departments are in any case focussed on earmarking the funding in their programs that will be needed in implementing the RSD strategy
- all the funding for the RSD strategy could be pooled in one consolidated fund and this would have the advantage of assured flexibility over the whole relevant budget. The disadvantage of this approach is that in practice it would be difficult to separate the relevant funds from program budgets and service delivery arrangements (including funding via the States and Territories) and this approach runs the real risk of creating silos that separate the RSD strategy from mainstream program activities
- the third alternative is to limit the flexible funding pool to transition funding that, like ICSI, can meet unexpected funding requirements and cover funding gaps that arise in the near term because of the time required to make space in mainstream programs to contribute to the RSD strategy. This is a similar approach to the use of the NTER Local Priorities Fund.

The Review favours the third approach but considers that program managers will need to keep program guidelines under review to ensure that they are adapted, in the light of

²⁷⁷ Office of the Coordinator-General for Remote Indigenous Services, Coordinator-General for Remote Indigenous Services six monthly report, Commonwealth Government, Canberra, 2009, Recommendations 3.1 and 3.2, p. 104.

experience, to better cover the requirements of service delivery in the RSD communities so that the requirement for 'transitional' funding is reduced as quickly as possible.

The Review notes that this third approach has been adopted in the formulation of the RSD Flexible Funding Pool announced by the Prime Minister on 11 February 2010²⁷⁸.

In a similar fashion to the NTER Local Priorities Fund, it is intended that the RSD Flexible Funding Pool be established as a separate facility linked specifically to facilitation of the RSD Local Implementation Plans. The use of the special account linked with the Fund will enable contributions from the States and Territories and other third parties and provide flexibility to carry unspent funds across financial years. It is expected that expenditures will be subject to consultation (e.g. through a deputy secretaries group) to confirm satisfaction with the process and outcomes represented in the RSD Local Implementation Plans. The appropriateness of the funding envelope for the Fund will need to be kept under review in subsequent budgets.

The Review notes that the funding of the Torres Strait Regional Authority (TSRA) provides a model of further devolution of funds management to a regional Indigenous community. The TSRA has the flexibility to determine its preferred split of those funds across agency responsibilities and across programs but with the responsibility to account for its use of those funds (subject to approval of the Minister for Families, Housing, Community Services and Indigenous Affairs and subject to expenditures being within 10 per cent of approved component budgets). The TSRA pooled funding does not include the resourcing of health services which are contracted separately.

Such devolution is not necessarily desirable as it can distance the community from mainstream services and it could only be considered where a community has the strength of identity, scale and maturity in governance and administrative capability that would be required for it to be practicable.

The Management of ICSI

The Review notes that ICSI can provide a flexible funding pool framework across Commonwealth agencies and there is no need, in principle, for similar facilities to be established separately for other agencies.

As noted above, FaHCSIA's 'Outcome 7 Indigenous' is sufficiently broad in scope to encompass the program requirements of other agencies. The Governance arrangements for ICSI and its associated Special Account will need to be kept under review to ensure that it can serve that purpose. If the 'RSD flexible funding pool' is established within the ICSI framework, that will provide the opportunity to review those arrangements.

Notwithstanding the scope to widen the use of ICSI, considerable care is required in managing a program with such broad guidelines. Examination of the range of activities funded under the program over the past eighteen months indicates that a considerable portion of the funding is going to 'national' initiatives that could in other circumstances be

²⁷⁸ Statement by the Prime Minister, the Hon Kevin Rudd, MP, 'Closing the Gap', 11 February 2010.

funded through new policy proposals although possibly not with the same responsiveness as has been possible via ICSI.

Funding has been provided to a large number of small community based projects but it is not clear that the project approval requires assessment that they will deliver outcomes of value in their own right as well as build partnerships with and within communities. This will be addressed in the funding pool being established for implementation of the RSD strategy as funding approval will be restricted to projects that form part of the LIPs which will help ensure that they form part of an ongoing local service and development strategy.

The Review has concluded that it is desirable that the existing ICSI guidelines be reviewed to provide greater clarity of approved purposes of funding to facilitate evaluation of outcomes.

In this regard, the Review found that there is a lack of a clear understanding across agencies as to the options and flexibilities that exist under the current financial frameworks. Therefore, Review suggests that the Department of Finance and Deregulation should work with agencies to improve their understanding of mechanisms available under the existing financial framework for flexible funding to facilitate whole-of-government delivery of programs and services. Flexibility offers the opportunity to match services with local requirements and support the use of longer-duration funding in appropriate circumstances, in ways which support continuity of program delivery and patient development of the capability of Indigenous organisations.

Released under the ICSI

RECOMMENDATIONS

- 100.** Finance should work with agencies to improve their understanding of mechanisms available under the existing financial framework for flexible funding to facilitate whole-of-government delivery of programs and services. Flexibility offers the opportunity to match services with local requirements and support the use of longer duration funding in appropriate circumstances, in ways which support continuity of program delivery and patient development of the capability of Indigenous organisations.
- 101.** Endorse the continued use of FaHCSIA's *Indigenous Communities Strategic Investment* (ICSI) program to provide useful flexibility to meet unanticipated program requirements:
- 101.1.** Guidelines should be reviewed to provide greater clarity of approved purposes of funding to facilitate evaluation of outcomes. Desirably, projects will deliver outcomes in their own right as well as build partnerships with and within communities; and
- 101.2.** Governance arrangements should be reviewed to ensure that ICSI and its associated Special Account can operate effectively as a cross-agency flexible funding pool.
- 102.** Note that the Prime Minister has announced the establishment of a flexible funding pool to facilitate implementation of RSD Local Implementation Plans:
- 102.1.** Guidelines for relevant mainstream and Indigenous-specific programs should be kept under review to ensure that as soon as possible they have the flexibility to meet the ongoing requirements of service and program delivery in the RSD regions.

Effective engagement with Indigenous communities and service providers

Commonwealth and State governments have recognised that one of the failures of Indigenous policy and service delivery to date has been the lack of effectiveness in engagement with Indigenous Australians, particularly those living in remote Australia.

In its report to the Minister for Families, Housing, Community Services and Indigenous Affairs, the NTER Review Board noted that the NTER measures had directly affected approximately 45,500 Aboriginal men, women and children in the Northern Territory. The Review Board was of the view that in many communities the NTER was seen as a '*collective imposition based on race*'.²⁷⁹ The Review Board commented that the:

support for the positive potential of NTER measures has been dampened and delayed by the manner in which they were imposed. The Intervention diminished its own

²⁷⁹ Northern Territory Emergency Response Review Board, *Report of the NTER Review Board*, Commonwealth of Australia, Canberra, 2008, p. 9.

*effectiveness through its failure to engage constructively with the Aboriginal people it was intent to help.*²⁸⁰

Indigenous communities have a limited understanding of the structure and responsibilities of Australian Government departments. There is also a confusion about the split of responsibilities between Australian Government and State and Territory governments.

An effective relationship with Indigenous Australians is critical to achieving the *Closing the Gap* targets within the COAG agreed timeframes. On the ground officials need to be able to effectively engage with Indigenous communities and with service provider organisations.

Engagement can be defined:

*as any process that involves the Aboriginal and Torres Strait Islander peoples in problem solving or decision making and uses community input to make better decisions. In the context of this Framework, engagement is about two things: first, it is about the relationship between Government and Aboriginal and Torres Strait Islander peoples; and secondly it is about the way we work together to get things done.*²⁸¹

Experience with implementation of the NTER has also illustrated the value of engaging people about issues that concern them so they can make informed decisions about matters that affect them. This lesson is reinforced in the report of the NTER Review Board which noted that:

Governments [must] endorse the need to reset the relationship with Aboriginal communities in the Northern Territory and move in partnership to develop and maintain a community development framework within which a genuine engagement with communities can develop and be maintained.

*Robust frameworks, adequate resources, functional governance and professional capabilities are necessary—but without the genuine engagement and active participation of the local community, deep seated change will not be achieved. It must be nurtured within the community. That is the lesson of the Intervention.*²⁸²

The Government response to the NTER Review has committed it to genuine engagement with people affected by the NTER in re-designing NTER measures so they are compliant with the *Racial Discrimination Act 1975*.

In this regard, COAG has agreed to a set of principles for engagement with Indigenous communities:

²⁸⁰ *ibid.*, pp. 9-10.

²⁸¹ Department of Families, Housing, Community Services and Indigenous Affairs, Draft Australian Government Aboriginal and Torres Strait Islander Engagement Framework, 2009-2014, FaHCSIA, p. 7.

²⁸² Northern Territory Emergency Response Review Board, *Report of the NTER Review Board*, Commonwealth of Australia, Canberra, 2008, p. 11, 14.

Engagement with Indigenous men, women and children and communities should be central to the design and delivery of programs and services. In particular, attention is to be given to:

- *recognising that strong relationships/partnerships between government, community and service providers increase the capacity to achieve identified outcomes and work towards building these relationships;*
- *engaging and empowering Indigenous people who use Government services, and the broader Indigenous community in the design and delivery of programs and services as appropriate;*
- *recognising local circumstances;*
- *ensuring Indigenous representation is appropriate, having regard to local representation as required;*
- *being transparent regarding the role and level of Indigenous engagement along a*
- *continuum from information sharing to decision-making; and*
- *recognising Indigenous culture, language and identity.*²⁸³

Government Engagement Strategies

The findings and recommendations of the NTER Review Board have been taken into account by the Government and a number of modifications have been made to the operation of the NTER as a result of these findings and recommendations. For example, the Government has made an explicit commitment to a more respectful and supportive relationship with Indigenous Australians as part of its wider strategy the *Closing the Gap* on Indigenous disadvantage.

An early test of this commitment was the decision to undertake a formal evaluation of the engagement and communication strategies involved with the NTER redesign consultations with Indigenous communities and individuals which took place during June, July and August 2009. The Cultural and Indigenous Research Centre Australia was contracted to undertake the evaluation and independently monitor the consultation process. They also covered in their report the training of staff conducting the consultations, the use of interpreters, the communication products and reporting of the consultations themselves.²⁸⁴

Overall, the evaluation found that FaHCSIA staff had effectively engaged with a large number of Indigenous people in the numerous meetings held over the three month period of the consultations.

FaHCSIA has developed a whole-of-government RSD Engagement Strategy which is designed to guide the way government agencies and their staff engage with RSD communities.

²⁸³ Council of Australian Governments, *Service delivery principles for programs and services for Indigenous Australians*, Schedule D to the *National Indigenous Reform Agreement (Closing the Gap)*, 2009, p. D-76.

²⁸⁴ Cultural and Indigenous Research Centre Australia, *Report for the Department of Families, Housing, Community Services and Indigenous Affairs on the NTER Redesign Strategy Engagement and Implementation*, Cultural and Indigenous Research Centre Australia, 2009.

In addition, FaHCSIA has drafted an *Australian Government Aboriginal and Torres Strait Islander Engagement Framework, 2009-2014* which is intended to guide the way the Commonwealth Government engages with Indigenous people.

Each Commonwealth agency will be required to report annually on actions to implement and embed its engagement strategy in line with the Framework. A reporting framework will be developed, to be approved by the SGIA.

The evaluation of the Framework will involve a mid-term review after two years' operation with a full external evaluation commencing 6 months before the expiry of the five-year term of the Framework. In this regard, it is understood that FaHCSIA is developing a reporting framework and performance indicators to measure how well agencies are performing. FaHCSIA also intends to work with agencies on current engagement practices and where they may need to improve.

Released under FOI Act

CHAPTER 9: BUILDING CAPACITY

Achieving the COAG *Closing the Gap* targets and the Australian Government's broader Indigenous policy goals will be highly dependent upon enlisting Indigenous leaders, communities and organisations as strong, effective and genuine partners in this endeavour. In addition, it is vital that there is a parallel emphasis on building the capacity within government agencies to deliver on the Government's Indigenous reform agenda. As noted throughout this Report, there is a critical need to improve standards of governance and leadership in many Indigenous communities and organisations; equally, there is an urgent need to improve the quality, availability and accessibility of government services and programs directed to this purpose.

To achieve the latter will require governments to focus on improving the skills and knowledge of staff who are interacting with Indigenous people. Similarly, governments need to work with mainstream and Indigenous specific program service providers to improve their capacity to effectively engage with Indigenous clients both in urban and regional locations and remote Australia.

Building capacity within Indigenous communities

Governance and leadership

The capacity of Indigenous communities predominately relates to governance and leadership and is discussed in detail in *Chapter 5.8 Governance and Leadership*. That Chapter recognises a critical need to improve standards of governance and leadership in many Indigenous communities and organisations; equally, there is an urgent need to improve the quality, availability and accessibility of government services and programs directed to this purpose. It identifies strategies for delivering a more coordinated and effective whole-of-government approach to improving Indigenous leadership, and Indigenous community and organisational governance and capacity. Recommendations include:

- the establishment of a whole-of-government program to provide training and advisory services to build governance and leadership capabilities; and
- that four training and advisory service strands be recognised covering: personal leadership development; community governance; governance of Indigenous organisations; and governance of Indigenous businesses.

Reforming service delivery in partnership with communities

Consultations held in the conduct of the Review suggested the need to build community capacity as an integral element of service delivery. This involves the transfer of knowledge, skills and capacity to the people receiving the service so that they are better equipped to meet their own needs in the future. Mr Robert Fitzgerald, Productivity Commissioner, cited AUSAID as an example applying methods that utilise a capacity building/community development model. Under this model, service delivery is integrated with community development to avoid creating the expectation that the Government will be the permanent provider of the given service. That approach provides for a gradual, progressive transference

of knowledge and skills, along with a progressive building of capacity to take over those responsibilities where that is relevant.

Dr Peter Shergold, former Secretary of the Department of Prime Minister and Cabinet and former head of ATSIC, told the review that current government programs also create a level of dependence, learned helplessness and passivity among Indigenous Australians. A greater focus on community capacity building and development would allay these concerns. Dr Shergold suggested that 'on the ground' staff needed appropriate training, autonomy and support as well as the ability to make on the ground decisions.

Chapter 7 Reforming Service Delivery provides an assessment of strategies and proposed reforms in service delivery approaches, and government coordination and organisational structures necessary to support implementation of Government programs targeting Indigenous Australians. It notes the importance of agencies improving their understanding of mechanisms available under the existing financial framework for flexible funding to facilitate whole-of-government delivery of programs and services and to take account of the priorities of Indigenous people themselves to enable the development of solutions best suited to local circumstances.

Of critical importance for effective program implementation are the structures that are required to facilitate delivery of whole-of-government initiatives at the regional and community level and improve access for Indigenous clients to government programs and services. Of equal importance is the role of agency staff situated on the ground that are seen as key liaison and consultation points in communities. The role of these employees is to engage with community leaders, elders, local service providers and Commonwealth, State and Territory Government agency representatives to link communities with available services and facilitate a whole-of-government response to service needs. They play an important role in coordinating service delivery commitments on the ground and assisting with community planning processes and agreement making. They can also work with communities to build their capabilities in managing their own futures.

Building capacity in government

The 2008-09 State of the Service Report shows that almost two-thirds of Australian Public Service (APS) employees (101,256 or 62.5 per cent) are located outside the Australian Capital Territory. Twenty per cent of total APS staff work in the area of service delivery. A further 11 per cent work in program design or management which includes program implementation.²⁸⁵

Based on a simple analysis of the 2009-10 Portfolio Budget Statements (PBS) for the three major agencies, FaHCSIA, DoHA and DEEWR, almost 2,400 staff may be working on

²⁸⁵ Australian Public Service Commission 2009, State of the Service Report State of the Service Series 2008-09, Canberra p.15.

Indigenous Affairs in these departments alone (this number almost doubles with the inclusion of Centrelink and its service delivery role).²⁸⁶

The inadequacy of skills possessed by many APS personnel required to effectively work with and engage Indigenous people and communities has been highlighted by the majority of people consulted on Indigenous program delivery and implementation. This lack of skills is further exacerbated by government expectations regarding delivery of the COAG reforms, particularly to meet the *Closing the Gap* targets and the actions required by various National Partnership Agreements.

There are two areas in which the APS and non-APS public sector can improve performance in this area. This is through:

- increasing Indigenous employee representation; and
- building the capability of the Public Sector workforce.

To this end, the Government has set the ambitious target of increasing Indigenous public sector employment to a level consistent with the Indigenous population share by 2015 requiring both APS and non-APS agencies to have an average of 2.7 per cent Indigenous employees.

The second objective will entail investment in the capacity of the public sector to better design and deliver its services in partnership with the Indigenous community. This investment will require a paradigm shift in the value placed on investing in structured training, recognising and valuing skills and experience in working in the Indigenous affairs arena, including on-the-ground experience, and ongoing assessment of how we are faring.

Indigenous Employment Strategies

Element 4 of the *National Partnership Agreement on Indigenous Economic Participation* seeks to improve opportunities for Indigenous people to engage in public sector employment through 'Reviewing all Public Sector Indigenous employment and career development strategies to increase employment to reflect population share by 2015'.²⁸⁷

In addition to assisting to meet the COAG target to halve the gap in employment outcomes between Indigenous and non-Indigenous people within a decade, increasing Indigenous employment in the public sector will, by nature, raise general awareness of issues facing Indigenous people. The perspectives, knowledge and experience Indigenous employees bring to the workplace will help to influence the understanding of non-Indigenous employees to the plight facing Indigenous Australians and assist to build relationships, influence policy formation and benefit service delivery.

²⁸⁶ This number is derived by taking each Agency's (FAHCSIA, DoHA and DEEWR) total Australian Government Indigenous Departmental Expenditure as a proportion of total Departmental Expenditure and applying that to total Agency staffing as reported in the 2008-09 APSC State of the Service Report.

²⁸⁷ COAG *National Partnership Agreement on Indigenous Economic Participation*, 2008, p7

Australian Public Service Commission programs and services

While it is the responsibility of individual agencies to manage their recruitment, retention and development strategies, the Australian Public Service Commission (APSC) provides a number of supporting programs and services aimed at increasing Indigenous representation in both mainstream and Indigenous areas of the APS. The support offered by the APSC takes four forms:

- programs to provide pathways into the APS:
 - *Indigenous Graduate Program*;
 - *Indigenous Cadetship Program*;
 - *Indigenous Entry Level Recruitment Program*.
- Indigenous APS learning and development;
- support for employees, managers and agencies; and
- publications, Resources and Guides.

The APSC coordinates *Indigenous Graduate recruitment* for the APS. The Indigenous Graduate Program provides Indigenous graduates with the opportunity to undertake a variety of work placements, participate in ongoing professional development, and access a support network that includes current and former graduates. It also offers work rotations to expose graduates to a number of different work experiences, further training and development courses.

In 2009, the APSC used the *Indigenous Cadetship Program* (ICP) to place 62 Indigenous cadets with a variety of Commonwealth agencies. The ICP is supported by DEEWR as a component of the *Indigenous Employment Program*. It links Indigenous tertiary students with employers in a cadetship arrangement involving full-time study and work placements. Under the program, agencies are provided with funding of up to \$14,000 per annum for each cadetship arrangement to meet the costs of: study allowance for cadets (\$12,000); books, fees and equipment (\$1,000); and employer administrative allowance (\$1,000). This funding should be seen as an enhancement to Commonwealth agencies' primary responsibility of seeking to provide employment opportunities for Indigenous and agencies should not feel constrained by the budgetary reach of the program.

The *Indigenous Entry Level Recruitment program* is a 12 month traineeship program designed to recruit applicants with limited experience in government into ongoing employment in the APS. It provides a combination of practical work and structured training in Government at the Certificate III or IV level. Trainees are supported through their studies with mentoring, coaching and access to a professional support network including fellow Indigenous employees.

The APSC also employs an Indigenous Liaison Officer (ILO) to provide advice and services to APS agencies and managers on recruitment of Indigenous staff, managing Indigenous staff and learning and development options for Indigenous staff. The ILO also provides services and advice to Indigenous individuals including for entering and working in the APS, learning and development and on issues relating to the employment of Indigenous Australians in the APS.

Other services provided by the APSC include a kit to assist agencies to develop Indigenous Employment Strategies as required under Element 4 of the *National Partnership Agreement on Indigenous Economic Participation*. However, it is of concern that the APSC 2009, *State of the Service Report* indicates that only 27 per cent of APS agencies reported having a *formal* Indigenous Employment Strategy in place.²⁸⁸

A Case Study – The Defence portfolio

The Directorate of Indigenous Affairs (DIA) in the Defence department has introduced two separate strategies for the two different workforces within the Defence portfolio. The *Australian Defence Force Indigenous Employment Strategy* incorporates plans for the recruitment and retention of Indigenous members in the ADF in consultation with the Services, while their draft *APS Indigenous Employment Strategy* incorporates plans for the recruitment and retention of Indigenous Australians to work in the APS within Defence, working closely with the APSC's Indigenous Pathways Programs.

The work of DIA is carried out in consultation with other agencies including FaHCSIA, DEEWR, APSC and Reconciliation Australia under three broad themes:

- Changing Perceptions in the Community;
- Specialised Pathways to Employment; and
- Ongoing Support to Indigenous Members and Employees.

The Indigenous Pre Recruitment Course (IPRC) for the Defence Force provides an example of an effective strategy and is achieving results through:

- an eight week course that aims to:
 - prepare young Indigenous Australians for the ADF recruiting process; and
 - condition the participants for the rigours of recruit school.
- visits to Defence bases to learn about the types of jobs they can apply for within the ADF;
- leadership training through FaHCSIA's *Indigenous Leadership Program*;
- physical and mental fitness through physical exercise, healthy eating and lifestyle coaching; and
- numeracy and literacy training to attain/confirm year 10 passes in English, Maths and Science.

Results from the program to December 2009 have included:

- 90 graduates from 97 starters on the program;
- 80 per cent (or 72) of IPRC graduates successfully completing the Defence Force Recruiting Aptitude Test. (The success rate for the average Australian in the DFR Aptitude Test is circa 29 per cent); and
- Thus far 15 of the graduates have been enlisted into the ADF.

²⁸⁸ The Australian Public Service Commission 2009, *State of the Service Report State of the Service Series 2008-09*, P26 (The *State of the Service Report* indicated that of the agencies without a Indigenous Employment Strategy: 44 per cent advised that their Indigenous employment practices formed part of a workplace diversity plan; 33 per cent indicated they were part of a reconciliation action plan; and 12 per cent of agencies reported that their Indigenous employment practices were part of other documents such as recruitment and diversity policies and programs.)

As part of the ADF IES, Defence is also driving the *Defence Indigenous Development Program* (DIDP) in partnership with DEEWR and the Northern Territory Department of Education and Training. This pilot program is a seven month military and life skills training course to provide training and foundation skills development for young Indigenous men. The program is designed to provide young indigenous adults with life skills to secure and sustain continuous employment of their choice as well as being role models within their communities.

Over the 7 month duration of the course the students undertake basic military recruit training and specialised NORFORCE patrolman training. All graduates qualified in a Certificate Level 2 Qualification for both Rural Operations and General Education.

Defence also continues to work actively with the APSC to support their APS recruitment and retention activities. In addition to Indigenous cadet positions, the Department of Defence, is working with Universities offering Indigenous Scholarships for Science Scholars, including employment with the Defence Science and Technology Organisation on completion of the studies.

Defence is developing a suite of retention initiatives for both the ADF and the APS including:

- National ATSI Network – Annual Conference
- Regional Networks to be established in 2010
- National Mentoring Capability
- Advocacy program to support all Indigenous members
- Cultural Integration Program

Recent trends in Indigenous APS employment

The numbers of Indigenous employees in the APS has risen slightly from 3,148 as at June 2008 to 3,176 at June 2009, this represent a proportion of 2.1 per cent. However due to growth of 1.6 per cent in total APS employees over the same period it represents an overall (but small) decrease in Indigenous representation over the previous year. The proportion of Indigenous employees has been falling since June 2002, with larger falls reported in 2004 and 2008.

As at June 1995 the number of Indigenous employees in the APS was 3,357 from a total APS population of 129,889 equating to Indigenous representation of 2.6 per cent. As discussed in *Chapter 5.5 Economic Participation*, over recent years the APSC has made a sustained effort towards the recruitment and retention of Indigenous Staff in the APS with a particular focus on stopping a general reduction in Indigenous staff numbers. The measures contributing to stopping the downward trend and potentially turning it around include centralised recruitment and employment pathway programs such as the Cadetships, Graduate recruitment and Entry Level programs.

Nevertheless, COAG's target of 2.6 per cent Indigenous employment in the public sector by 2015 will be very demanding for APS agencies. As at June 2009 an additional 728 Indigenous

employees would be required to meet the target.²⁸⁹ It should be noted that the Commonwealth target has been adjusted to 2.7 per cent to ensure that the national (combined Commonwealth and jurisdictions) target of 2.6 per cent would be achieved, while also matching State targets. This adjustment would require 878 additional employees at the same point in time.

While there is demand for additional Indigenous employees across all agencies in the APS, there are barriers to the supply of potential Indigenous employees. These include the limited number of adequately skilled and experienced candidates for general recruitment and the limited number of high quality calibre recruits for graduate positions. Another factor affecting Indigenous recruitment is that most vacancies are in agency national offices and this also presents a barrier for individuals from regional and remote Australia.

The levels of Indigenous employment vary across the three agencies with the most extensive Indigenous responsibilities: FaHCSIA (9.30 per cent); DoHA (2.45 per cent); and DEEWR (5.31 per cent). Table 9.1 shows major Departments and Agencies including those with high representation.²⁹⁰

Table 9.1

Agency	Total Employees	Indigenous Employees	% Indigenous Employees
FaHCSIA*	3,129	291	9.30
DoHA*	4,450	109	2.45
DEEWR*	5,572	304	5.31
DEWHA*	2,618	110	4.20
AGD*	1,487	21	1.41
Centrelink	26,222	1,006	3.84
Aboriginal Hostels Limited	366	308	84.15
National Native Title Tribunal	196	19	9.69
Torres Strait Regional Authority	37	24	64.86
Australian Institute of Aboriginal and Torres Strait Islander Studies	43	9	20.93

* Department only

Source: APSC, *Australian Public Service Statistical Bulletin State of the Service Series 2008–09*

Public Accountability

The Commonwealth has a responsibility to monitor and report on progress in increasing APS and Non APS Public Sector Indigenous employment. As discussed in Chapter 5.5 Economic

²⁸⁹ Australian Public Service Commission, *State of the Service Report State of the Service Series 2008–09*, APSC, Canberra, p. 22.

²⁹⁰ APSC, *Australian Public Service Statistical Bulletin State of the Service Series 2008–09*

Participation, while data exist within the APS for monitoring, reporting and improving Indigenous employment there is a lack of similar facility in the non-APS public sector.

Public accountability can also provide inducement to senior managers to be more strategic and focused on the objective of increasing Indigenous employment in their organisations. At this point in time, the Review considers that such a sharper focus is the best means of achieving a quantum improvement in performance –there is ample experience in what can be done, the greater challenge is to be focused on doing it. As noted above, the scope for a sharper focus is evidenced by the fact that only 27 per cent of APS Agencies have ‘formal’ Indigenous Employment Strategies in place. Within the APS there is active consideration of proposals for Secretaries being required to report publicly and regularly on their strategies and outcomes contributing to meeting the COAG target for Indigenous employment .The Review supports such a step.

The non-APS Commonwealth public sector is much less focussed on these objectives. There are exceptions, as is illustrated by the work being done by the Department of Defence in respect of Defence Force recruitment outlined above, but there is no coordinated strategic approach. The Review considers that more concerted action is required and notes that DEEWR has a proposal in SIBS seeking seed funding for this purpose.

It should be noted that based on 2006 Census data, the current estimate for the increase required in the non-APS public sector is an additional 4,300 additional Indigenous employees by 2015.

Building Capability for the APS Workforce

Current Programs

Most agencies take responsibility for accessing and delivery programs to increase cultural awareness, skills in delivering Indigenous program and services and in engaging with Indigenous communities. Until the Northern Territory Emergency response most training in this area related to raising cultural awareness. Often consultants were engaged to deliver single day courses that at best only provided an overview of issues facing Indigenous Australians. Often courses were confrontational and without more structure, including pre and post course work would do little to increase staff ability to design policy bearing on Indigenous Australians or deliver programs.

There is something of a ‘catch-22’ situation, in the desire that staff working in Indigenous policy and program areas have relevant experience when there is a shortage of staff with that experience. The only way around this is to ensure that training is as effective as possible and supporting staff on the ground with adequate supervision, mentoring and shadowing.

Mentoring and shadowing were used to good effect in the conduct of the NTER by FaHCSIA who was charged with recruiting Government Business Managers (GBMs) and by DEEWR who recruited Community Employment Brokers (CEBs). The recruiting pool was quite thin and at times decisions had to be made to withdraw unsuitable officers although this was also done to good effect.

Both of these agencies provided induction and ongoing workshops to not only iron out programmatic issues but also issues relating to the appropriate engagement and consultation of Indigenous communities.

Further work is being undertaken currently by FaHCSIA on two fronts to build staff capacity to engage more effectively with Indigenous Australians.

The first is the development of a series of training modules to build an understanding amongst agency staff of:

- the Government's engagement agenda;
- the importance of genuine engagement when trying to effect change; and
- how to better engage with Indigenous Australians.

The Review understands that testing of the modules is occurring within FaHCSIA with participation by all Branches that deliver programs that impact on Indigenous Australians. Following refinement of the modules, this training is intended to be available for delivery to all government staff from the Commonwealth, the States and the Northern Territory working in the ROCs.

Indigenous APS graduates, cadets and trainees were taken through training and leadership modules by the APSC in December 2009 to build their capability in relation to engagement.

The Review understands that work is also progressing between FaHCSIA and the APSC to identify areas of existing activity into which training on engagement can be integrated over time such as incorporation into the standard suite of training courses offered through the APSC and building SES capability through induction and the capability framework.

Options to develop more formalised and accredited cultural competency training are also being considered.

As part of the RSD implementation strategy, a second area of work by FaHCSIA staff is focusing on building government employees' local knowledge and understanding of the community in which they are working, through a facilitated series of discussions ('yarning circles') between Indigenous community leaders and government staff. Parameters for the discussions will be agreed with the community and then questions will be developed to guide the discussion in which Indigenous people share their local knowledge and experiences.

The Review notes and endorses the work being undertaken and the strategies and framework being issued by FaHCSIA to improve the knowledge and capability of Commonwealth agency staff to effectively engage with Indigenous individuals and communities.

Need for increased effort

*Everything is hunky-dory except the capacity to deliver*²⁹¹

Mr Fitzgerald, Productivity Commissioner, suggested that the Commonwealth had seriously under-invested in service delivery and in the implementation of policy more generally. Mr Fitzgerald suggested that *'we don't need clever policy solutions nearly so much as sensible, straightforward policy, very well delivered'*.

Consultations with Mr Robert Griew, Associate Secretary DEEWR, also highlighted the need for better staff training to support enhanced capability. Mr Griew discussed feedback from service providers that recognised the need for competent, experienced officers on the ground who can make things happen. It has been suggested that these officers need to be the interface between communities and bureaucracies so that communities themselves do not have to traverse the bureaucratic maze of programs and guidelines. Mr Griew suggested this pointed to a need for a major investment in the training of officers to work with Indigenous communities.

Mr Brian Gleeson, The Coordinator-General for Remote Indigenous Servicing, noted in his first six monthly report to COAG that.

it is critical for governments to recognise that there is a capacity gap with respect to the new ways of working required under the National Partnership Agreement on Remote Service Delivery which goes well beyond basic cultural competency training for staff.

The *National Partnership Agreement on Remote Service Delivery* provides service delivery principles including the engagement principle which states:

Engagement with Indigenous men, women and children and communities should be central to the design and delivery of programs and services. In particular, attention is to be given to:

- *recognising that strong relationships/partnerships between government, community and service providers increase the capacity to achieve identified outcomes and work towards building these relationships;*
- *engaging and empowering Indigenous people who use Government services, and the broader Indigenous community in the design and delivery of programs and services as appropriate;*
- *recognising local circumstances;*
- *ensuring Indigenous representation is appropriate, having regard to local representation as required;*
- *being transparent regarding the role and level of Indigenous engagement along a continuum from information sharing to decision-making; and*
- *recognising Indigenous culture, language and identity.*

²⁹¹ Fred Chaney - Remote Australia: The limits of government capacity. [Adelaide Festival of Ideas](http://www.themonthly.com.au/remote-australia-limits-government-capacity-fred-chaney-1809)
<http://www.themonthly.com.au/remote-australia-limits-government-capacity-fred-chaney-1809>

The lack of skills to adequately engage with Indigenous communities was evident during the implementation of the Northern Territory Emergency Response with the recruitment of FaHCSIA's Government Business Managers (GBM) and DEEWR's Community Employment Brokers. Both agencies were drawing from a thin pool in trying to acquire adequately trained and experienced officers to fulfil these roles. In discussing the NTER Review²⁹², Mr Bill Gray, former Australian Electoral Commissioner and former head of ATSIIC, noted that GBMs were recruited in haste and that some of them '*did not possess the skill sets required*'. Mr Gray went on to say that people who aspired to be GBMs need to be professional and well trained with recognised qualifications.

It has been suggested that over recent years, there has been a reduction in the number and quality of APS staff working in and with Indigenous communities. In the past, agencies had networks of field officers that could fulfil these roles. For example, the education arm of DEEWR previously utilised a network of field officers to deliver programs such as *Aboriginal Tutorial Assistance Scheme, Vocational and Educational Guidance for Aboriginals Scheme* and *Aboriginal Student Support and Parent Awareness Scheme*. As a result of recent changes to program delivery arrangements, these staff now work predominately out of State and Regional Offices assessing system based applications for funding.

A recurring observation is that '*good policy is only as good as the way it is implemented*'. Key informants to the Review, including Mr Fitzgerald, Mr Gray and the Hon Fred Chaney, former Minister for Aboriginal Affairs and continued active participant in Indigenous matters, suggest that a lot of time and effort is dedicated to thinking up new innovative policy, however, without carefully considered implementation strategies, the policies are often doomed to fail. It was put to the Review team that we need sound policy well implemented rather than a host of new policy ideas.

Dr Shergold noted that one of the frustrations in implementing new policy was the poor negotiating skills of the officials 'on the ground'.

The public policy consultancy firm Morgan and Disney were asked to prepare a report for the Office of Indigenous Policy Coordination that summarised what has been learned from Indigenous reform initiatives over the past 4 to 5 years and from the international development field.²⁹³

Morgan and Disney noted that all of the reviews and evaluations considered had recommended training in whole of government approaches, cultural competence, cross cultural work, and other emerging policy frameworks. The report stated:

If a development approach is now expected of staff then training will be essential. There is a wealth of knowledge and cumulative evidence in the international development and community development fields on community change and development practice. We would not expect a public servant, skilled in public administration, to go into a community and be a police officer or a

²⁹² Report of the NTER Review Board - October 2008

²⁹³ *Respecting past achievements and learning for change* - Lessons to inform the Remote Service Delivery (RSD) strategy and Government business practices Morgan Disney & Associates Pty Ltd October 2009

*nurse without any training or knowledge in that discipline or profession. Nor should we expect skilled administrators to go into a community and immediately be competent as development practitioners, community workers or change managers.*²⁹⁴

A professional development strategy

In addition to the numerous advantages of a more structured approach to service delivery and program implementation discussed in previous chapters, the existence of a professional qualification in Indigenous service delivery and program implementation would lead to more recognisable career pathways for individuals choosing to work in Indigenous affairs. This in turn would benefit the broader APS including through:

- improved recruitment and retention of staff working in or with Indigenous communities including Indigenous staff;
- by building the capacity of staff through access to formal qualifications providing agencies with more confidence to delegate decision making to remote and regional areas;
- providing a mechanism to adequately train staff in times of policy reform; and
- in the longer term, a greater numbers of APS staff with experience on the ground being involved in the development of new policy.

The *Gershon Review* of the Australian Government's Use of ICT staff may provide a useful model. The Review noted the need to lift the profile and value of Information, Communication and Technology professionals. It suggested that this could be achieved through implementing a whole-of-government professional development program encompassing career development, pathways to professional accreditation, retraining, recruitment and retention strategies.²⁹⁵

Such an approach could be taken in respect of a professional APS stream working in Indigenous program and service delivery alone, or in respect of APS program and service delivery more broadly, in which expertise in working with Indigenous communities would be one area of expertise. As with ICT professionals, the objective would be to clarify career pathways, provide for training and professional accreditation and facilitate recruitment and retention of skilled staff. This would enhance the status of the program and service delivery workforce in the APS and, in particular, of those engaged in working with Indigenous communities.

A professional qualification potentially linked to a diploma/graduate diploma in public administration could include an on the job component (or professional year), recognition of prior learning and on-the-ground experience and would also benefit the student by capitalising on experiential learning opportunities.

Given the need for the development of a professional stream and in anticipation of demand the qualification may warrant consideration of a university school as suggested by the

²⁹⁴ *Ibid*, p32

²⁹⁵ Department of Finance and Deregulation, *Review of the Australian Government's use of Information and Communication Technology*, Sir Peter Gershon CBE FEng, 2008

Coordinator General for Remote Indigenous Services.²⁹⁶ This establishment could be based on the former Australian School of Pacific Administration and form an important part to building a recognisable, valued tertiary qualification.

Distance education should be an option to address access issues. If the students undertaking courses are based in remote communities the use of distance education can be a good use of 'down time' and provide an excellent opportunity for study particularly if the study can be used for addressing issues experienced in communities.²⁹⁷

Given the complexities in delivering services and programs to Indigenous communities, the professional qualifications could include modules on:

- cultural competency - including an awareness of Indigenous history, culture and values;
- service delivery - including the practical implications of the Service Delivery Principles for Programs and Services for Indigenous Australians and included in the *National Partnership Agreement on Remote Service Delivery*;
- community development and capacity building – particularly as an integral element of service delivery;
- community engagement – in that it should be central to the design and delivery of programs and services;
- community planning;
- engagement with the community sector organisations - Harnessing the flexibility and adaptability of the 'community sector' (i.e. program providers that form the interface between government and citizens);
- Whole-of-Government approaches to working in communities; and
- program implementation.

Other generic skills cited as being important include: project management, communication and financial management.²⁹⁸

RECOMMENDATION

103. An APS service and program delivery professional stream should be established with appropriate career paths, professional training and incentives. An important component of the stream should be provision of such structures for staff working in Indigenous programs and services including with communities in remote Australia.

²⁹⁶ Brian Gleeson, Coordinator General for Remote indigenous Services, Submission to the Advisory Group on the Reform of Australian Government Administration 2009 sourced from http://www.dpmc.gov.au/consultation/aga_reform/submissions.cfm#listsubmissions

²⁹⁷ Tess Lea, 2008, *Bureaucrats & Bleeding Hearts Indigenous Health in Northern Australia*, UNSW Press, Sydney, p.200.

²⁹⁸ The Hon Fred Chaney. Submission to the Advisory Group on the Reform of Australian Government Administration 2009 sourced from http://www.dpmc.gov.au/consultation/aga_reform/submissions.cfm#listsubmissions

Career pathways

In an address to FaHCSIA and DEEWR officers on 'Government Service Delivery to Indigenous people and Communities' in September 2009, Mr Gray discussed the advantages of formal training including that previously available through the Australian School of Pacific Administration.²⁹⁹ Mr Gray stated that at that time, no person exercising authority or representing Government was permitted on Aboriginal communities without first having gone through a twelve month period of academic training combined with a six month probationary period. Mr Gray suggested that this type of approach should be required for officers such as GBMs if they are to be involved in engagement with Indigenous communities.

In giving evidence to the Senate Select Committee on Regional and Remote Indigenous Communities, the Hon Fred Chaney also recognised the current absence of adequate experience and career pathways in the APS.

At the moment the Public Service is structured in a way which is quite inimical to developing long-term expertise in working with Aboriginal communities. There is no career path. If you are a level 6 or a level 7 or a level 8, or whatever the levels are now, you are expected to be able to work in Treasury, Finance, Social Security—or FaHCSIA now; there is no such thing as Social Security anymore. What you had in the old days—and I am sorry to sound like I am speaking up for the good old days—was a career path for people who spent 10 years in the field and who did not get a senior job in head office until they had established themselves in branch and regional areas as having expertise. Someone like Bill Gray spent 10 years in Arnhem Land; Neil Westbury: God knows how many years; Mike Dillon, now on the minister staff: many years in remote Australia. I have to say that as minister, 30 years ago, wherever I went [I] would find an experienced on-the-ground officer or officers who knew the community, could introduce me to the community and could explain the background of the community. I am not saying it was perfect but, I tell you what, it was [a] hell of a [lot] superior to what I see today. So that is another structural issue.³⁰⁰

When accompanied with on-the-ground experience and with structure pathways, these skills sets would be invaluable in providing realistic input to future policy development and program design that is too often being developed in isolation from those that are most experienced in working with Indigenous communities and responsible for program implementation and delivery.

Structured pathways for APS staff working in service and program delivery could recognise entry points that could include Cadets, Graduates, locally employed staff and State and Territory regional staff. The qualification may also prove attractive to those in training,

²⁹⁹ Presentation to DEEWR and FaHCSIA officers, Canberra, September 2009

³⁰⁰ Australia, Senate Select Committee on Regional and Remote Indigenous Communities, Effectiveness of state, territory and Commonwealth government policies on regional and remote Indigenous communities, 9 October 2009, p. 73

volunteering, doing entry-level work, undertaking further study or those seeking job transition or job advancement.

The existence of structured pathways should be marketed to provide a line of sight for those APS staff interested in career advancement. Opportunities as employees delivering services, field officers, Indigenous Engagement Officers, GBMs, State and Regional Officers and other workforces with experience in working with Indigenous communities including AHL employees, Rangers and Town Council members could provide promotional opportunities for staff willing to work for lengthy periods in remote Australia.

State and Territory government service delivery would also form part of structured career pathways benefit from this approach and should be consulted in the design and delivery options for any potential qualification. Similarly, community sector organisations would benefit from higher standard of program and service delivery and in recognition of the roles those organisations often play as the interface between government and citizens, should be considered in the broader connect of structured career pathways.

Recognition of skills and experience

The importance of these skills and experience will need to be recognised by APS senior executives and staff will need to be encouraged to commit to professional development along the lines discussed above and this can only be achieved if they are supported to do so.

Incentives including financial and non financial should be considered by agencies, as appropriate to their structures and policies. Incentives may take the form of reward and recognition but the most empowering aspect may prove to be the value placed on using the skills, experience and expertise of these officers and recognition of the important role they will play in assisting to *Closing the Gap* in disadvantage between Indigenous and non-Indigenous Australians.

Financial rewards could include meeting course cost or contributing to HECS debts. Currently agencies are providing funding for staff training and development at an average rate of 3.0 per cent of base salary/full time equivalent (FTE),³⁰¹ While this would only meet part of the cost, it would provide the basis of an investment in an appropriately skilled workforce.

Capacity audits – assessing progress

A critical component of delivering the Government's agenda of *Closing the Gap* and 'resetting the relationship' is building the capacity of government employees to engage in a culturally appropriate and effective manner with Indigenous people. However, there are a broad range of different skill sets and experience required for the numerous areas of working in Indigenous affairs.

In order to match agency needs with the government priorities in this area including assessing progress with developing required capabilities it vital to understand exactly what skills and capabilities are present in each agency.

³⁰¹ Department of Finance and Deregulation, Estimates Memorandum - 2009/65.

Consistent with proposal canvassed by the Advisory Group on the Reform of Australian Government Administration in the discussion paper '*Possible reform direction*', based on overseas experience, agencies should be reviewed to assess their capability including in the areas of leadership and workforce capability, strategic policy and implementation capability and ability to meet government expectations.³⁰²

RECOMMENDATIONS

- 104.** The Australian Public Service Commission should give priority to a rolling program of reviews of agencies' Indigenous program and service delivery capabilities with early priority to be given to reviews of FaHCSIA, DoHA and DEEWR.
- 105.** Priority should be given to implementing further strategies to meet targets for Indigenous employment in the APS and Australian government more broadly:
 - 104.1.** departmental secretaries should agree a regular public reporting framework to maintain a strong focus on meeting the COAG target for Indigenous employment in the APS; and
 - 104.2.** Note that implementation of an Indigenous employment strategy in the non-APS Australian Government sector is listed for consideration in this year's Budget.

³⁰² Advisory Group on the Reform of Australian Government Administration, *Reform of Australian Government Administration: Building the world's best public service*, 2009, p26

CHAPTER 10: BUILDING THE EVIDENCE BASE

This chapter highlights some key deficiencies in the evidence base on Indigenous program performance and effectiveness, and in particular the significant limitations of current evaluation arrangements. It proposes an increased commitment to evidence-based policy in the future, with a much stronger emphasis on independent and rigorous policy and program evaluation.

The need for strong evidence

Three important features of the current policy environment are relevant to the matters discussed in this chapter:

- the strong commitment by governments to **evidence-based policy**: that is, to ensuring that policy design and development are driven by an analysis of all available options, and that policy decisions are informed by the strongest available data and supporting evidence;
- the sharp focus on **policy goals and outcomes achieved**, rather than the inputs, processes or means by which government services are delivered; and
- the promotion of a stronger culture of **accountability** (for performance and results achieved), **transparency** (in decision-making processes) and **disclosure** of key performance information (in the interests both of public accountability and greater consumer choice).

These priorities have been fundamental to the major reform of Commonwealth-State relations engineered by COAG since late 2007 (as discussed in Chapter 2). A central feature of the new financial framework represented by the *Intergovernmental Agreement on Federal Financial Relations*, for example, is the commitment made by Heads of Government to:

*....enhanced public accountability through simpler, standardised and more transparent performance reporting by all jurisdictions, with a focus on the achievement of outcomes, efficient service delivery and timely public reporting.*³⁰³

In support of this commitment, COAG has decided that the performance of all governments in achieving mutually agreed outcomes and benchmarks will be monitored and assessed by the independent *COAG Reform Council* (CRC), and reported publicly on an annual basis. It has also highlighted the importance of high-quality performance information and a strong base of underlying data.³⁰⁴ Statistical agencies and the Productivity Commission, in consultation with the CRC, are in the process of assessing the adequacy of existing data to support the new COAG performance information framework and reporting arrangements.

In the Indigenous area specifically, COAG has again stressed the need for a strong base of evidence to support its ambitious policy agenda. Under the *Sustainability* principle articulated in its *National Indigenous Reform Agreement*, for example, COAG has called for

³⁰³ Council of Australian Governments, *Intergovernmental Agreement on Federal Financial Relations, Part 2 – Objectives*, paragraph 5(b).

³⁰⁴ *ibid.*, Schedule C, paragraph C8

strategies which use evidence to develop and redesign programs and services, and to set priorities.³⁰⁵ Likewise, the *Accountability* principle requires that:

*Programs and services should have regular and transparent monitoring, review and evaluation....*³⁰⁶

and that particular attention should be given to:

*evaluating programs and services from multiple perspectives (including client, community and government perspectives), and incorporating the lessons from evaluation studies into future program and services design.*³⁰⁷

COAG has made it clear that its future work program in the Indigenous area will be guided by the evaluation of National Partnerships and other policies and programs, both Indigenous-specific and mainstream, affecting outcomes for Indigenous people.³⁰⁸ To support the analysis and compilation of this evaluation evidence, it has agreed to the establishment of a *Closing the Gap Clearinghouse* which will serve as:

*a single national repository of reliable evidence (including best practice and success factors) on a broad range of topics related to improving Indigenous outcomes.*³⁰⁹

The Clearinghouse is expected to conduct systematic reviews of the research and evaluation evidence; improve the coordination of research and identify priorities for future research and evaluation; provide public online access to a centralised repository of quality information; and provide policy makers and program managers with an evidence base for achieving the *Closing the Gap* targets.³¹⁰

How robust is the Commonwealth's evidence base?

The strong commitments to evidence-based policy made by the Prime Minister³¹¹ and other Heads of Government are not matched by the quality of the evidence currently available in the Commonwealth's own domain. Even basic information on the number of distinct Indigenous-specific programs and their key characteristics was a challenge to discover and assemble, at least on a reasonably comparable basis across portfolios and agencies (see Chapter 3). Moreover, a major constraint on the work of the Review has been the lack of robust evidence on the performance and effectiveness of many Indigenous programs.

³⁰⁵ Council of Australian Governments, *National Indigenous Reform Agreement*, passim

³⁰⁶ *ibid.*

³⁰⁷ *ibid.*

³⁰⁸ *ibid.*, Schedule A, p. A-33

³⁰⁹ *ibid.*

³¹⁰ *ibid.* The *Closing the Gap Clearinghouse* was established in late 2009, under the joint management of the Australian Institute of Health and Welfare and the Australian Institute of Family Studies (see <http://www.aihw.gov.au/closingthegap/>).

³¹¹ Rudd, K. 2008, Address by the Prime Minister to Heads of Agencies and Members of Senior Executive Service, Great Hall, Parliament House, Canberra, 30 April.

- Program evaluation activity in the Indigenous area has been patchy at best: fewer than half of the programs examined by the Review (47.8 per cent) had been evaluated in the past three years or were currently the subject of an evaluation, and only a slightly higher proportion (55.6 per cent) had an evaluation strategy in place at all.
- Of equal or greater concern is the poor quality and lack of rigour of many of the evaluations which have been undertaken. Serious data limitations aside, many evaluations appear to have been conducted either perfunctorily – simply because they were required to be done – or for self-serving reasons, with a view to perpetuating the program³¹². In relatively few cases has the evaluator been genuinely independent of the agency responsible for managing the program, and credibility has suffered as a result.³¹³
- Evaluation methodology has typically been of the ‘soft’ variety, with a heavy emphasis on ‘qualitative research’ based upon participant feedback and perceptions rather than more rigorous experimental approaches or robust before-and-after studies. In many cases also the data supporting evaluation studies have been problematic: baseline data, if available at all, have been often weak or flawed, and comparison groups have been lacking. The fact that program objectives themselves are often ambiguous or unclear has not helped matters.
- Most evaluations have focussed on the performance of a single program taken in isolation. There has been little in the way of evaluation studies which take a broader view by examining the interactions between a number of related programs, including programs administered by different portfolios, agencies and jurisdictions. The whole-of-government evaluation strategy planned for the Northern Territory Emergency Response³¹⁴ is a notable exception, although the proposed approach to this evaluation raises other issues of concern (see Chapter 8).
- In the Indigenous domain especially, there is little evidence that the principles of evidence-based policy have been widely applied in practice: in particular, few agencies can point to any clear connection between the findings of analytical studies or evaluation reports and the development of policy or program responses. The timeliness of evaluations is also sometimes an issue in this regard, in that evaluation results are not available in sufficient time to inform key policy or budget decisions.

The recent report on the evaluation of the NTER income management measure provides a useful illustration of many of these weaknesses.³¹⁵ Despite the size and policy significance of this substantial Commonwealth program, involving expenditure estimated at more than \$100 million per year, the evaluation was severely constrained in the conclusions it could

³¹² The former reviews of ‘lapsing programs’ were a case in point (as Finance acknowledged in developing its current program of ‘strategic reviews’).

³¹³ Until recently, some independent evaluations of Indigenous programs were conducted by the *Office of Evaluation and Audit* (OEA). In late 2009, however, OEA (formerly located within Finance) was incorporated as an Indigenous Group into the Australian National Audit Office, where its future work will be confined to audit activity rather than evaluation.

³¹⁴ FaHCSIA, Northern Territory Emergency Response (NTER): Whole of Government Evaluation Strategy, Working Draft, December 2009

³¹⁵ Australian Institute of Health and Welfare, Report on the evaluation of income management in the Northern Territory, August 2009

draw by a host of data limitations and other methodological weaknesses. In particular, according to the evaluator:

- The research studies supporting the evaluation of the income management measure (i.e., point-in-time descriptive surveys and qualitative research) 'would all sit towards the bottom of the evidence hierarchy'.
- A major problem was the lack of a comparison group, or baseline data, to help measure what might have happened in the absence of income management. As a result, heavy reliance had to be placed on the perceptions and views of various stakeholders.
- Given the particular methodology used, it was difficult (and in reality, impossible) to assess the effectiveness of income management as distinct from other related NTER measures.
- Even within the methodology adopted, the evaluation findings would have had greater strength if the views of stakeholders could have been supplemented by empirical indicators showing evidence of the changes reported by those stakeholders. In practice, however, no such evidence was available.
- A focus group report on stakeholder views did not attribute many of the findings reported to particular stakeholders; in consequence, it was often difficult to identify whose views were being reported, or whether they applied to the majority of stakeholders in the group.
- The data on which the evaluation was based were limited, and in some cases very poor. A series of client interviews, for example, had included only a small number of clients (76) from just four locations, and these clients were not randomly selected for interview.³¹⁶

In the case of this evaluation, the problems encountered stemmed not from any failings on the part of the evaluator but rather from weaknesses in the planning and design of the income management measure itself and some basic defects in the preliminary research studies on which the evaluation had to be based.³¹⁷ Similar defects are evident in many of the evaluation studies conducted across the Commonwealth, as well as at State Government level. As the Productivity Commission has recently commented:

*.... formal evaluations of Indigenous programs are very limited, and in many areas, lacking altogether. Focused, rigorous research and program evaluation is urgently required to improve the effectiveness of government policies and programs.*³¹⁸

At the Indigenous program level, across all governments, many 'pilots' and 'trials' are commissioned, implemented, run their course and then cease, with no formal, public evaluation. Opportunities to learn from experience are lost. Often,

³¹⁶ *ibid.*, p. iv

³¹⁷ The haste with which many programs have to be implemented in the past has significantly increased the risk that such matters will be passed over, or given a low priority, in the initial process of program planning and design.

³¹⁸ Steering Committee for the Review of Government Service Provision 2009, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, Canberra, p.2.8.

*monitoring and evaluation are hampered by inadequate data collections and poor performance information systems.*³¹⁹

*If it lives up to this (its stated objectives), the (Closing the Gap) clearinghouse could be a very powerful tool for policy learning. However, it will be useful only to the extent that governments really do get serious about generating the data needed to evaluate their programs.*³²⁰

While the problems just discussed are especially evident in relation to Indigenous programs, they are by no means confined to that domain. Over the past two decades, in fact, there appears to have been a progressive decline in commitment to rigorous performance measurement and evaluation across the Commonwealth as a whole, and an accompanying decline in analytical and evaluative capability. Exacerbating the problem, evaluation appears to have been downgraded in the culture of many agencies; for example, the message is often conveyed that what really matters is the delivery of program 'targets' (such as the filling of program places or the spending of the program budget), rather than the quality of that spending or the achievement of any higher-level objectives.

What needs to change?

It follows from the previous discussion that the Commonwealth needs to increase its capacity for high-quality and rigorous evaluation of its Indigenous policies and programs, and promote a culture more conducive to the independent scrutiny of program efficiency and effectiveness. Specific changes required are discussed below.

Review of evaluation arrangements

An early step should be a comprehensive and independent review of the adequacy of the Commonwealth's current arrangements for the evaluation of its Indigenous programs, with a view to putting in place more effective arrangements for the future. Given the major role played by the States and Territories in Indigenous program and service delivery, and the close connections between many Commonwealth and State activities in this area, it would be desirable that any such review should encompass the evaluation arrangements of State Government agencies as well.

The Productivity Commission would be well placed to conduct such a review, in part because of its detailed knowledge and established role in the monitoring of Indigenous policies and programs (in particular through its work on the annual *Overcoming Indigenous Disadvantage* report) but also by virtue of its well-established reputation as an authoritative source of rigorous analysis and independent policy advice to government. Accordingly, the Review suggests that a formal reference be provided to the Productivity Commission to conduct an inquiry along these lines, under terms of reference which would allow it to examine the adequacy of evaluation arrangements at both State and Commonwealth levels.

³¹⁹ *ibid.*, p. 11.21.

³²⁰ Gary Banks (Chairman, Productivity Commission), *Are we overcoming Indigenous disadvantage?*, Canberra, July 2009, p.15

RECOMMENDATION

106. A reference should be provided to the Productivity Commission to review the adequacy of current arrangements for the evaluation of Indigenous programs, both Commonwealth and State, and to recommend changes designed to improve the quality and rigour of evaluation studies as a means of improving program performance.

Planning and resourcing of evaluation activity

As part of the more rigorous approach proposed to the planning and design of new Indigenous programs (see Chapter 6), agencies should be held responsible for ensuring that the information required for effective performance monitoring and evaluation is built into the program design from the outset. This means, among other things, that:

- there should be a clear identification of program objectives and desired outcomes, both intermediate and final, as well as the intended 'program logic';
- performance baselines are established and performance indicators set, both at the program and project level; in addition, a clear 'line of sight' should be drawn between individual performance measures and the higher-level objectives which a program is designed to support;
- firm arrangements are made (under the terms of funding agreements, for example) for the collection and validation of key performance data; and
- an appropriate evaluation strategy is designed and put in place, with a clear specification of objectives, stages, timelines and responsibilities.

Finance also needs to play its part in these matters – for example, by recognising that high-quality monitoring and evaluation carries a cost, and is a legitimate element in the overall costing of a new policy proposal. Line agencies observe, with some justification, that Finance's frequent attitude in the past that agencies should be expected to 'absorb' the costs of their evaluation activity sent an unhelpful signal as to the importance to be attached to evaluation within an agency's overall priorities.

RECOMMENDATION

107. Guidance for negotiation of budget costings should recognise the importance of data management and evaluation for informed ongoing management and review of programs.

Approaches to evaluation

Significant changes are also needed to current approaches to evaluation within the Commonwealth. There are several distinct dimensions of this issue, as discussed briefly below.

Performance measurement, program monitoring and program evaluation: Agencies have often treated program performance management as a discrete activity in its own right, with

limited attention to how the measurement of performance links to an overall monitoring and evaluation framework. This approach has resulted in the inadequate provision of data to inform decision-making for the most critical questions in program development: what works, for whom and in what circumstances.³²¹ A more integrated and better coordinated approach is needed for the future.

Better priority-setting: A more strategic approach is needed to the setting of evaluation priorities, with closer attention to considerations of scale, policy significance and the interactions with other related programs (both within and across agencies and jurisdictions). While all Indigenous programs should be subject to systematic processes of monitoring and review, major evaluation activity should be concentrated principally on those large-scale programs and key policy measures (such as the NTER and RSD strategies) in which significant resources are invested, and which have the potential to contribute materially to the achievement of the *Closing the Gap* targets.

There should also be more active encouragement of evaluations which study the interaction between different programs or groups of programs or which attempt to measure the relative effectiveness and efficiency of different approaches to addressing the same set of issues, including across jurisdictional boundaries. As the Chairman of the Productivity Commission has recently commented:

*... for policy-making purposes there is no substitute for detailed evidence-based assessments and reviews of specific programs. One advantage of our Federation is that it has generated many different policy and program innovations. However, with some exceptions, Australia has squandered the opportunity to learn systematically from these diverse experiences in order to identify those that could make a difference if applied nationally.*³²²

The need for independence: While internal agency reviews should be encouraged as a matter of good program management, the Review sees it as important that any major evaluations of large-scale Indigenous programs should be undertaken at arm's length and preferably independently of the agency responsible for administering the program or programs in question. This is important in the interests of rigour and transparency, as well as credibility; for various reasons, however, it is not the standard practice within the Commonwealth at present. The Review suggests that this is one of the matters which should be examined in the proposed Productivity Commission review (see Recommendation 106 above), along with arrangements for the publication of evaluation reports and findings.

More rigorous evaluation methods: A closely related issue goes to the design of evaluation studies and the choice of evaluation techniques. A concerted effort should be made to move beyond the 'soft' methodologies (based on qualitative research techniques) which have characterised much Commonwealth evaluation activity in the Indigenous area in recent years. While fully randomised control studies pose ethical and other challenges in the social policy domain, well-designed 'natural experiments' and before-and-after studies would provide a much stronger base of research evidence than currently exists.

³²¹ Pawson, R. and Tilley, N., 1998, *Realistic Evaluation*, London, Sage.

³²² Gary Banks, op. cit., p.14

Coordination of evaluation effort: As part of a more strategic approach to the planning and conduct of evaluations, and consistent with the need for whole-of-government action to address the multiple sources of Indigenous disadvantage, there is a clear case for better coordination of evaluation effort across the Commonwealth. The Review sees an important role for Finance in this area; in particular, it should take an active role in driving a new commitment to evaluation activity generally, and make more use of thematic and in-depth reviews in key areas of Indigenous program activity. ECFIA could also play a useful role in advising on whole-of-government evaluation priorities, monitoring the progress of major evaluation studies and assessing the policy implications of key evaluation reports.

RECOMMENDATION

- 108.** Better use should be made of available resources for monitoring and evaluation by:
- 108.1.** agencies taking a more strategic and cross-program approach to evaluation, concentrating in depth and with rigour on key policy measures and major programs where significant resources are invested; and
 - 108.2.** Finance making more use of thematic and in-depth reviews in key program areas.

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CHAPTER 11: PRIORITIES FOR INVESTMENT

The terms of reference for the Review require that it,

provide recommendations for realigning funding towards higher priority and more effective programs and how to reprioritise and reallocate expenditure in future.

The terms of reference go on to state that,

the Review is not a savings exercise, but rather a mechanism to identify opportunities to redirect funding from lower value to high value Indigenous programs, and to improve effectiveness, including through new program design, consolidation and removal of duplication, increased management flexibility, and reduced multiple reporting requirements.

Funding that can be redirected to other priorities

Consolidations or broad banding of closely related programs

The Review is proposing or endorsing the consolidation of some 51 currently separate Indigenous specific programs into 18 continuing programs. Most often the continuing program is Indigenous specific but in a few cases it is a mainstream program. In eight cases this involves transfers of related functions between agencies.

The count of 51 does not include the consolidation of the mainstream family support programs being implemented by FaHCSIA, nor the recent major restructuring of the *Indigenous Employment Program* by DEEWR. Collectively, this much-needed housekeeping should achieve a much more integrated framework of programs and services for Indigenous Australians facilitating coherence of policy, improved access and more efficient service delivery.

It should be emphasised that the consolidation of programs does not preclude maintaining an identity for program elements and opportunities for ‘announceables’ by Ministers pointing to new features and achievements. Thus, for example, the proposed consolidation of the *Sporting Chance* program within a wider framework does not preclude the recognition accorded to that initiative in the recent statement by the Prime Minister on progress in *Closing the Gap*. What it achieves is integration within a coherent wider program framework with flexibility to evolve program priorities in the light of experience.

The proposed restructuring of the back office functions of the Indigenous Coordination Centres (ICCs) should also provide administrative efficiencies. The Review considers that Departments should be giving higher priority to staffing of service delivery including for ‘on the ground’ activity in the ICCs and that they have the scope to reorder their staffing priorities to do this. Significant resources were provided to Departments when ICCs were established in 2004 and in a sense these proposed changes merely restore the priority for staffing of the ICCs that was envisaged at that time. This transition will need to be managed carefully if it is to maintain opportunities for Indigenous employment in these areas.

While it is difficult to make precise estimates, the Review estimates that around \$1.5 million per annum in a full year can be saved as a result of the proposed consolidations. Savings from refocussing the ICC operations could be of the order of \$3.5 million in a full year.

Savings arising from cessation or restructuring of programs

The Review has identified 25 programs where there is a case to cease the program on the expiry of current funding commitments or alternatively to restructure the program when evaluation results are available and circumstances permit.

In 11 cases, changes are dependent on *inter alia* negotiations with the States and Territories which are addressed further in the following section of this Chapter.

In 6 cases the programs reflect election commitments or are an element of high profile government initiatives – and 3 of these also depend on negotiation with the States and Territories. Much of the Council of Australian Governments (COAG) Indigenous agenda has taken shape since or in tandem with such measures and it is not surprising that such major reform is changing the landscape against which individual initiatives should now be assessed. In most cases the Review is recommending further evaluation and review to aid in such decisions and depending on those judgements there is scope for useful savings to be made.

Only three measures are proposed for decision in the context of the 2010-11 Budget that have the scope to produce savings against the forward estimates:

- *Schools – Indigenous Support Units – Non-government schools;*
- *Schools – Targeted Projects – Other; and*
- *Schools – Program Support.*

Adoption of these three measures would provide estimated administered and related departmental savings rising from \$1.0 million in 2010-11 to \$2.5 million in 2011-12, \$6.5 million in 2012-13 and \$9.5 million by 2013-14 with the pattern principally reflecting the tail off in forward commitment.

The Review is also endorsing the planned termination of 8 programs however those decisions will not free up funds for use elsewhere as the funding is already fully committed or contractual negotiations are already at a point where that is effectively the case.

A reality of current funding practice, reflecting in part a consequence of medium term commitments to funding the States and Territories under the COAG framework, but also reflecting the increased prevalence of multiyear grant funding - which this Review supports - is that the flexibility to reorder priorities in the short term is being constrained. In addition to the forward commitment that is increasingly common under individual grant programs, examples of the scale and duration of forward commitment include:

- Commonwealth Own Purpose Expenses (COPE) included in National Partnership Agreements, including:
 - the *Closing the Gap in the Northern Territory National Partnership Agreement* which includes \$583.5 million in Indigenous specific COPEs committed to June 2012;
 - the *National Partnership Agreement on Remote Indigenous Housing* includes \$698.5 million in Indigenous Specific COPEs committed to June 2018;

- the *National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes* includes \$805.5 million in Indigenous specific COPEs committed to 2013; and
- the *National Partnership Agreement on Remote Service Delivery* includes \$187.7 million in Indigenous specific COPEs committed to June 2014;
- a number of funding agreements with providers under the Indigenous Education (Targeted Assistance) Act 2000 which provide funding aligned with quadrennial legislative funding arrangements; and
- in the Health portfolio, most programs are not bound by legislation or COAG agreements, but forward contractual commitments commonly bind expenditures for several years.

Two recommendations that propose substantial further work and are not included in the foregoing count of 25 also have the potential to result in useful efficiencies and savings over the next several years.

- The proposed review of the interaction between *Job Services Australia*, the *Indigenous Employment Program* and the *Community Development Employment Projects* program would be completed by mid 2011.
- The proposed review of the interaction between Medicare billing arrangements and the grant funding of *Aboriginal Medical Services*, Divisions of General Practice and State and Territory Health Services for Indigenous peoples would be progressed as part of current *Health Reforms*.

Both these pieces of work should also clarify the respective roles of the mainstream programs and the supplementary roles of the Indigenous specific programs – which is a key theme of this Review. The Review has also identified other areas where there is reason to question the adequacy of the mainstream programs in addressing Indigenous need. A critical example is mainstream schooling and others include the *Youth Connections program* which will need to be closely monitored to see if the new provisions currently out to tender meet the needs of Indigenous youth at risk, and the legislated provisions of the *Building Australia Fund* which do not provide for consideration of remote infrastructure projects.

Transfer of responsibilities to the States and Territories

The Review has identified 15 programs which should be considered for transfer to the States and Territories on the grounds that the activities supported fall within their mainstream responsibilities, as defined by COAG.

In quite a few cases, the specific nature of the elements of the programs (such as the proposed transfer of the few remaining *Commonwealth Vocational Education and Training* programs) warrants transfer of the associated funding to the States and Territories.

In some other cases, the funding pressures are such (as in relation to municipal services) that resolution of responsibility for delivery of these services is expected to require some increase in Commonwealth funding to gain state and territory acceptance of the arrangements.

However, there are 8 programs where the States and Territories already have substantial responsibility and corresponding funding (or proposed funding for municipal services) where the Review considers that there are reasonable grounds for proposing that transfer occur without the current funding:

- DEEWR preschool programs (accounting for 5 program elements)
- *Animal Management in Rural and Remote Communities*
- *Renewable Remote Power Generation program -Bushlight*
- *Fixing Houses for Better Health (Healthabitat)*

In addition there are three programs that are election commitments where the Review considers that there is scope for some saving depending on evaluation and negotiation with the States and Territories:

- *Closing the Gap – Expansion of Intensive Literacy and Numeracy Programs*
- *Closing the Gap – Individual Learning Plans; and*
- *Additional 200 Teachers for the Northern Territory.*

It is proposed that the Commonwealth take a package approach to negotiating these matters with the States and Territories along with other matters arising out of this Review that bear on the COAG partnership.

Investment priorities for the near-term

Current funding pressure points

Reflecting the analysis in preceding chapters, there is a range of areas where the Commonwealth faces considerable pressure to provide additional resources over the next few years:

- remote infrastructure;
 - funding for municipal services as part of the negotiation with the States and Territories to take on clear responsibility for that government function; and
 - there is an immediate requirement for emergency demountable staff housing and office accommodation that is the subject of a Single Indigenous Budget Submission proposal. It is understood that FaHCSIA is exploring off-budget options for ongoing requirements.
- Indigenous housing is currently provided for in multiyear funding agreements with the States and Territories. However, even if successfully implemented, that program will still leave a significant gap with acceptable housing provision which will also need to be addressed in the medium term. The Review supports the view that existing provisions need to be put in place before reassessing those medium term objectives;
- funding is required to facilitate a negotiated approach to settlement of native title claims although this can be seen as a saving against the potential long term cost of a litigious process;
- current *Northern Territory Emergency Response* provisions are due to be reviewed by 2012 when the current legislative provisions conclude. There may be significant costs in transitioning beyond that point;
- there is a significant cost in providing digital television capability for Indigenous broadcasting;

- funding pressure points in respect of critical programs and services include:
 - training in governance and leadership;
 - community safety;
 - legal aid;
 - programs for youth at risk;
 - mobility assistance;
 - Centerlink service delivery reforms in remote Australia; and
 - funding of non commercial operations of outback stores.
- funding pressure points in respect of government administration include:
 - a more active program in research and evaluation of Indigenous programs; and
 - development of a professional stream in the APS in service and program delivery with particular attention to Indigenous programs and services.

The Review considers that aggregate funding for education and training, and for health are broadly adequate to their tasks, although there is scope to review allocations within those funding envelopes.

Proposed approach in the near-term

As input to this Review, a recent ECFIA meeting spent some time canvassing possible priorities for investments by government and there was strong agreement around the table that the three highest priorities are:

- infrastructure;
- community safety and related legal aid; and
- expanded training in governance and leadership.

While the Review concurs with this list and its ranking as near term priorities, it is not practicable to address the significant costs that may be required to address the infrastructure needs by reordering priorities across Indigenous specific programs. The Review considers that those needs should be addressed in their own right.

Notwithstanding the importance of community safety and related legal aid, the needs there warrant more funding over the next two years than the Review can identify in the context of the 2010-11 Budget and it makes more sense for that to be addressed as part of the package of negotiations with the States and Territories, where any 'Commonwealth program savings' could be directed to that purpose. Given that the Commonwealth wishes to progress community safety in partnership with the States and Territories, this could reinforce that objective. AGD and FaHCSIA have given some preliminary thought to a community safety package that builds on current programs and which could be progressed in this way. Transfer of functions to the States and Territories would free up departmental savings and it is proposed that they could usefully be directed to professional development of the APS in Indigenous program and service delivery.

These considerations suggest that any modest program savings that can be made in the coming Budget should be directed (up to a level of \$5 million per annum in the out years) to setting up the proposed program in governance and leadership to augment the other means that are proposed for funding that activity. FaHCSIA, DoHA and DEEWR are developing a proposal that could serve that purpose.

It is proposed that efficiency savings as a result of consolidations and restructuring the back office functions of ICCs be retained by departments. It is estimated that these savings could amount to around \$5 million per annum in the out years although these estimates are only indicative and their impact across departments is uneven. Desirably, transfers of functions across departments will have regard for a sharing of efficiency gains. It is proposed that departments give priority in redeploying the funds to increased effort in monitoring and evaluation.

As observed above, two proposed on-going reviews have the potential to free up useful savings in due course in the DoHA and DEEWR portfolios and it is proposed that any such savings be redirected to related activities. In the latter case it would be sensible to direct the savings to mobility program objectives although given the importance of mobility as an enabling strategy that may require additional expansion in due course. Those decisions will be informed by the proposed wide ranging review of mobility strategies, including the role of AHL in that regard.

As a general observation, any new measures should reflect a whole-of-government perspective and build on existing program capabilities and frameworks, consistent with the proposed principles outlined in Chapter 4.

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RECOMMENDATION

109. In the near term, and in response to this Review:

- 109.1.** Departments should retain the departmental savings from consolidations and the proposed restructuring of the back offices of the ICCs and priority in redeployment of those savings should be given to improved resourcing of program monitoring and evaluation.
- 109.2.** The modest administered and related departmental savings that can be realised by decisions in the 2010-11 Budget should be directed (up to a limit of \$5 million per annum in the out years) to the recommended creation of a governance and leadership program, noting that it is proposed that the program also be funded by drawing together related resources and supplemented by funding from FaHCSIA, DoHA and DEEWR.
- 109.3.** Any program savings that can be realised as a result of a packaged approach to negotiations with the States and Territories on measures arising from this Review should be directed to increased effort in community safety and associated legal aid, with that approach progressed as part of those negotiations. Any savings in Departmental administration should be directed to professional development of the APS.
- 109.4.** In the context of the prospective Health Reforms, any program savings derived from a restructuring the interaction between grant based funding for Indigenous health care and MBS billing arrangements should be redirected to other Indigenous health and related priorities.
- 109.5.** Any program savings as a result of the proposed review of the interaction between JSA, IEP and CDEP should be directed to expanded mobility programs.
- 109.6.** The significant funding pressures in relation to remote infrastructure (municipal and essential services and emergency staff housing and office accommodation), progress of negotiated settlement of native title and other matters should be addressed as substantial issues in their own right.

Investment priorities for the medium-term

Investment principles

Consistent with the highly youthful age-structure of the Indigenous population, the critical objective of improving the outcomes achieved by young Indigenous people, and particularly their education outcomes, should be the highest priority of policy.

In addition, education can serve as a prism that can guide policy priorities and gauge the overall success of the COAG strategies. Unless Indigenous children secure a good start in life, including a strong base of skills through the schooling system, their prospects for a healthy and productive life will remain bleak and progress in addressing Indigenous disadvantage overall will continue to be painfully slow.

However, care is needed in applying this paradigm as there are important interactions between the available instruments of policy. While improved education and training outcomes is critical to closing the gaps in the medium to long term those gains are unlikely to be achieved and will be less robust unless they are buttressed by parallel gains across all the gap indicators. The likelihood of that success increases with successful supporting interventions that:

- improve family health and wellbeing;
- strengthen positive community values and norms; and
- provide effective support when youth 'fall through the cracks' and need a fresh start.

Another important consideration is that effective service provision is not possible without the necessary human and physical capital to do so. There are significant challenges on these counts, not least being:

- equipping the professional workforce with the skills required to work effectively with Indigenous communities. In remote Australia the added challenge is to reduce high staff turnover and achieve stability in working relationships that can support a true partnership with the local communities. The critical part played by teacher /student relationships in tackling education disadvantage is a case in point;
- developing the capability of Indigenous communities so that they can contribute equally to partnerships with governments and other third parties. Programs can assist but eventually it is the communities themselves who must be able to express a sense of wellbeing and purpose for their people; and
- improving the standards of housing and community infrastructure so that Indigenous families can establish a supportive home environment that can advance their lives.

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RECOMMENDATION

- 110.** Key considerations in setting priorities for budget expenditures over the medium term should be:
- 110.1.** Programs should maximise the likelihood of success in meeting the objectives of the Government's key strategies – the *Closing the Gaps* and the RSD strategies; and
 - 110.2.** Programs should take a medium to long term view and give priority to the needs of the young, including:
 - 110.2.1.** During pregnancy and when very young (when family health and wellbeing will be particularly important);
 - 110.2.2.** Those in education and training (when community values and norms will also be important); and
 - 110.2.3.** Youth who have 'fallen through the cracks' and need a fresh start requiring effective targeting of program support).
 - 110.3.** Outcomes in education and training should be used a prism through which to gauge progress in meeting the *Closing the Gap* objectives:
 - 110.3.1.** noting that unless Indigenous children secure a good start in life, including a strong base of skills through the schooling system, their prospects for a healthy and productive life will remain bleak and progress in addressing Indigenous disadvantage overall will continue to be painfully slow; and
 - 110.3.2.** noting that, while improved education and training outcomes are critical to closing the gaps in the medium to long term, those gains are unlikely to be achieved and will be less robust unless they are buttressed by parallel gains across all the gap indicators.
 - 110.4.** engagement by skilled professionals, be they educators, health workers, community workers, etc. should be a priority in supporting effective delivery of Indigenous services, as should increasing Indigenous representation in those ranks; and
 - 110.5.** community infrastructure (including housing for the community and those working with them) and the capability of community organisations should be of a standard that can support joint effort by communities and those delivering services in meeting agreed goals.

Periodic review

While the preceding broad principles can be a helpful guide to priorities for investment, more texture is needed to guide year-by-year decision making. That texture will depend on the rate of progress in the various areas of investment and judgements about the effectiveness of policy. Results of evaluations will inform such judgements as will trends in performance indicators, not least being performance against the COAG Closing the Gap targets. Evolving community attitudes can also impact on expectations and the detail of Government policy commitments.

Significant increases in funding will need time to settle into place and demonstrate results before judgements are made about any further change. As observed in Chapter 3, in absolute terms, the largest reported growth in Indigenous expenditures over the last two years has been in the Health and Ageing portfolio (from \$737 million in 2007-08 to an expected \$917 million in 2009-10). Schooling has also benefited from significant increases under the COAG agenda with an investment of \$63.7 billion for the 2009-12 quadrennium representing a 97 per cent increase over the previous quadrennium for delivery of mainstream services. Given these investments, the Review considers that current funding levels in Health and Education and Training are adequate to the task at this point in time.

Another consideration is the significance of the new COAG framework which has not only set the *Closing the Gap* targets but has also established new arrangements for governments to partner in that work. These are early days in implementing the new arrangements and no doubt there are important lessons to be learnt in making them work.

It is proposed that broad budget allocations should be reviewed every few years to determine near term investment priorities, building on accumulated program experience and evaluation results. The proposed thematic and cross-program evaluations, such as that envisaged for the NTER, should serve to inform those judgements.

The periodic reviews will also provide the opportunity to identify possible topics for the priority themes for the annual SIBS process. Topics that suggest themselves out of this Review would be governance and leadership, mobility and youth at risk although there are other topics where work is also proposed.

RECOMMENDATION

- 111.** Broad budget allocations should be reviewed every few years to identify near term budget priorities that support a balanced approach to meeting the Government's goals. The proposed thematic and cross-program evaluations such as that envisaged for the NTER should inform those judgements.
- 111.1.** At the present time, broad budgetary allocations to education and training and health seem to be appropriate to the task. There the focus should be more on effective delivery of services.
- 111.2.** There are funding pressures in relation to remote infrastructure, communications infrastructure, community safety and related legal services, settlement of native title claims, and capability of Indigenous organisations but otherwise the key priority is the more effective delivery of these programs.
- 111.3.** This Review has identified a number of areas where continued policy development is required but in many cases desired policy directions are agreed and the priority is to improve the delivery of those policies.
- 111.4.** Priority areas that have been identified for further work in the near term which could serve as themes for SIBS are governance and leadership, mobility, and youth at risk.

The need for an underpinning long-term view

The deep-seated and complex nature of Indigenous disadvantage calls for policies and programs which are patient and supportive of enduring change (including in the attitudes, expectations and behaviours of Indigenous people themselves). A long-term investment approach is needed, accompanied by a sustained process of continuous engagement.

There are significant risks that the course will be reset too quickly and that the stop-start experience that has too often been a feature of the past will be repeated. Significant new approaches need time to prove themselves and to pass the test of rigorous independent evaluation.

At this present time a major initiative - the RSD strategy - stands out in its scale and ambition. The structures surrounding it, including the role being served by the Coordinator General in monitoring and publicly reporting every six months on the implementation of the strategy have every portent of success. But the challenge is daunting. The Review suggests that caution be exercised before adding to its scale.

RECOMMENDATION

- 112.** Priority should be given to programs that can be patient and supportive of enduring change:
- 112.1.** New programs should allow for transition that manages potentially disruptive change; and
 - 112.2.** The *Remote Services Delivery Strategy*, in particular, represents a bold experiment in testing new approaches to community engagement and coordinated service delivery. The performance of the strategy within the 29 communities in which it is currently operating should be evaluated before considering any extension to a wider range of communities.

Regional priorities

Some 25 per cent of Indigenous Australians live in locations classified as 'remote' or 'very remote', in many of which the multiple dimensions of Indigenous disadvantage are starkly evident. As noted earlier in Chapter 2, there are some 1,200 discrete communities in remote Australia, many of which are quite isolated from mainstream economic and social infrastructure: for example, some 80,000 Indigenous people across more than 1,000 communities have no ready access to banking or shopping services. While the need for policy intervention in these communities is clear and compelling, a key consideration is the long-term economic viability and sustainability of a community. Consistent with the principles agreed by COAG, priority for infrastructure support and service provision in the future should be directed to larger and more economically sustainable communities where secure land tenure exists, with outreach services and other forms of access provided for the residents of smaller surrounding communities.

Continuing commitment to such principles is not easy for governments and in practice there will need to be flexibility at the margin to cope with differences in judgements between governments and the practicalities of addressing disadvantage in difficult situations. A 'hub

and spoke' approach to provision of essential services can go some way to meeting such needs but service standards in outlying communities will necessarily be lower than they can be at the hub. Nevertheless the rationale for the NIRA's investment principles for remote locations is compelling as they scale the task to one that has some prospect of success. At the same time, there will be opportunities for some programs to benefit remote locations as do elements of the *Indigenous Rangers program* and the *Business Skills for Visual Artists program*. There should also be support for voluntary mobility by individuals and families to areas where better education and job opportunities exist, or where there are higher standards of services.

The regional dimension to Indigenous disadvantage – and the frequent focus on the challenges in remote Australia – can distract from due attention to the needs of Indigenous peoples in urban and regional Australia. Indeed, this Review has frequently found itself so focussed. With 75 per cent of Indigenous Australians now resident in urban and regional locations, the achievement of COAG's *Closing the Gap* targets will not be possible unless significant gains can be made in these localities. Concerted efforts are needed to leverage both Indigenous-specific and mainstream funding, as agreed by COAG, to improve the outcomes achieved by Indigenous Australians in metropolitan areas and major regional centres.

RECOMMENDATIONS

- 113.** Consistent with the NIRA's investment principles for remote locations, priority in making government investments should be given to communities where there are good prospects for sustainable economic development in the long term.
- 114.** Mobility assistance programs should be kept attuned to the needs of Indigenous communities to help mitigate locational disadvantage.
- 115.** While closing the gaps for remote Indigenous communities is a particularly complex and challenging goal, care should be taken in program design to meet the needs of all Indigenous people, noting that 75 per cent of the Indigenous population reside in regional and urban Australia.

ATTACHMENT A: TERMS OF REFERENCE FOR THE INDIGENOUS EXPENDITURE ACROSS THE AUSTRALIAN GOVERNMENT STRATEGIC REVIEW

Outline

The Indigenous Expenditure across the Australian Government Strategic Review will assess Indigenous programs and whole of government coordination administrative arrangements in terms of their contribution towards meeting the COAG 'Closing the Gap' on Indigenous Disadvantage Targets (the Targets), and provide recommendations for realigning funding towards higher priority and more effective programs and how to reprioritise and reallocate expenditure in the future.

The review is not proposed as a budget savings exercise, but rather a mechanism to identify opportunities to redirect funding from lower value to higher value Indigenous programs, and to improve effectiveness, including through improved program design, consolidation and removal of duplication, increased management flexibility, and reduced multiple reporting requirements.

The review will be undertaken under the Strategic Review framework and will be led by a person with broad experience and expertise in government policy and program delivery. The review leader will be supported by a Finance team, with secondees from relevant agencies.

The review will draw on;

- (a) previous reviews, reports and audits, whether internal, external, public or unpublished;
- (b) consultations with relevant public sector agencies; and
- (c) relevant expertise in the public and private sectors.

Coordination and monitoring of the review's progress will be undertaken by the Budget Review Division of Finance.

Terms of reference

1. The review will examine how well the current array of Commonwealth Indigenous programs serves to support the achievement of the Government's Indigenous policy objectives: in particular, the COAG *Closing the Gap* targets for reducing Indigenous disadvantage (the Targets).
2. The review is not designed to produce savings to be returned to the Budget; rather, to identify changes to existing program structures and delivery arrangements which will make better use of available resources in supporting the achievement of the Government's policy goals. A key objective will be to identify how funding could be redirected from low-value to high-value programs including through program

consolidation, removal of program duplication, and the modification or termination of under-performing programs.

3. The review will consider the full range of Commonwealth Indigenous-specific programs, including any discrete Indigenous elements within mainstream programs.
4. For each of the programs within scope the review will assess:
 - (a) how well the objectives and design of the program are aligned with the Targets and the Government's policy priorities;
 - (b) available evidence on the performance of the program, including its efficiency, effectiveness and contribution to achieving the policy goals represented by the Targets;
 - (c) the continuing need for the program, having regard to:
 - i. the assessments made in (a) and (b) above;
 - ii. the essentiality of the services provided by the program;
 - iii. other means of meeting the program's objectives, including the availability and adequacy of relevant mainstream services;
 - iv. related funding provided to the States and Territories under SPP arrangements and National Partnership Agreements; and
 - v. the scope to improve program design and performance beyond current levels.
5. On a cross-program and cross-portfolio basis, the review will assess the scope to:
 - (a) better align program resources with Government priorities;
 - (b) improve the flexibility of service delivery to better meet the diverse needs of Indigenous people;
 - (c) reduce program overlap and duplication, including the number of multiple funding points for like purposes;
 - (d) promote better coordination and cooperation between agencies in program planning, design and delivery;
 - (e) strengthen administrative arrangements, accountability requirements and performance indicators so as better to support the achievement of the Targets; and
 - (f) improve efficiency, reduce administrative overheads and cut red tape.
6. The review will be conducted in close consultation with the agencies responsible for the programs under review. The Executive Coordination Forum on Indigenous Affairs (ECFIA) will provide guidance to the review team. Coordination and

monitoring of the review's progress will be undertaken by the Budget Review Division of Finance.

7. The review will deliver a draft report by 5 February 2010. A final report will be provided to the Minister for Finance and Deregulation and the Minister for Families, Housing, Community Services and Indigenous Affairs (copied to the Prime Minister, Treasurer and other relevant Portfolio Ministers). The review will provide advice progressively on its progress, and emerging findings from its work, to help inform the development of the Single Indigenous Budget Submission process for 2010-11.

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ATTACHMENT B: PRINCIPLES APPLIED IN THE CURRENT REVIEW

The Review has applied the following principles to guide its judgements on the appropriate treatment of the current array of Indigenous funding programs: in particular, the circumstances in which existing programs should be continued, terminated or consolidated/broad-banded.

Alignment

One clear requirement is that the objectives and delivery strategies for any Indigenous-specific funding program should align with Government policy goals and priorities. The most important of these are the goals and priorities associated with the *Closing the Gap* strategy (in particular, the *Closing the Gap* targets and related Building Blocks) and the array of COAG National Agreements and National Partnership Agreements, including the *National Indigenous Reform Agreement* and the *National Partnership Agreement on Remote Service Delivery*.

Mainstream programs and services

Notwithstanding the large number of Indigenous-specific funding programs currently in place, Indigenous people rely heavily upon the mainstream programs funded by governments to deliver support and services to all Australians. It is therefore of critical importance that these mainstream programs should be held accountable for delivering high-quality services and acceptable outcomes for Indigenous people. This should be so whether the programs are funded by the Commonwealth or the States and Territories, and whether they are delivered directly by government itself or by non-government organisations or in other partnership arrangements.

The role and significance of mainstream programs will vary by location, depending largely on issues of availability of and access to services. For Indigenous people living in urban and regional Australia, mainstream programs should be the regular and preferred delivery mechanism unless there are compelling reasons to the contrary.

Indigenous-specific programs and services

There may be a case to maintain or continue an Indigenous-specific funding program where one or more of the following considerations apply:

- the program responds to Indigenous needs which are materially different (quantitatively or qualitatively) from the needs that can reasonably be served by the corresponding mainstream program. In some cases the response may provide supplementary services working in synergy with the mainstream while in others they may provide features and flexibility to better meet local indigenous needs;
- the program aims to accelerate the pace at which its stated objectives can be achieved through the relevant mainstream programs;
- cultural appropriateness is a priority consideration;
- innovation, particularly at the local level, is a key requirement;
- targeted intervention is necessary because of market failure; or

- wider Government policy considerations merit the continuation of the program.

The assessments made in these respects will often involve 'on-balance' judgements, and may also vary over time. In some cases, for example, there may be grounds to continue an Indigenous-specific program for a defined period (e.g., until certain threshold requirements have been met), even if the appropriate and desirable long-term objective may be to incorporate the program into the mainstream. In all cases, performance and effectiveness should be key considerations: in particular, there should be an assurance that any Indigenous-specific program:

- will at least meet mainstream service and quality standards (allowing for any necessary period of transition);
- will be delivered efficiently;
- is of sufficient scale (or suitably scalable) as to have a material outcome; and
- will be managed in a way that avoids undue complication or confusion of accountability for the delivery of mainstream services.

Termination of programs

There can be a case to terminate an Indigenous program (or absorb it within a mainstream program) where one or more of the following conditions apply:

- there is evidence that the program is ineffectual (or alternatively no clear evidence, after a reasonable period of time, that the program is meeting its objectives);
- the program is not cost-effective (with costs outweighing benefits);
- the program duplicates or overlaps with other programs with closely related objectives, creating potential confusion as to roles and responsibilities and/or inefficiencies in overall service delivery;
- the program encourages cost-shifting by existing mainstream or other Indigenous-specific programs, or allows a mainstream provider to relinquish its responsibilities; or
- delivery of the program involves a high level of complexity or red tape that significantly detracts from the amenity of the service being delivered.

Once again, the assessments made in these respects will often involve 'on-balance' judgements, informed by knowledge of the history of the program and the context in which it has been operating. A key constraint in many cases is the dearth of robust evaluation evidence on the performance and cost-effectiveness of individual programs (see Chapter 10).

Program rationalisation (consolidation or broad-banding)

There can be a case to consolidate or broad-band Indigenous programs where this results in one or more of the following benefits:

- greater program effectiveness and/or operating efficiency;
- improved coordination and cooperation within or across agencies;
- simplified administration and lower overhead costs;
- increased flexibility (e.g., such that local needs can be better met without unduly affecting overall program accountability and outcomes);
- a reduction in red tape;
- a more coherent customer service; or

- improved accountability.

The new Indigenous Employment Program (IEP), introduced on 1 July 2009, represents a significant recent example of program rationalisation. The Review has identified a number of opportunities to consolidate or broad-band Indigenous programs both within particular agencies and, in some cases, across agency and portfolio boundaries.

Capacity-building

Program management and implementation strategies should serve to build the capacity of both Indigenous communities and government agencies by:

- engaging effectively with Indigenous people, and strengthening the partnership between communities and agencies;
- promoting effective governance and leadership at the community level;
- valuing and building individual and community esteem and taking account of indigenous cultural imperatives, including connection with the land;
- establishing a government presence in key communities, both in the interests of more effective engagement and as a means of informing program policy and service delivery;
- growing Indigenous employment both within government and in the delivery of government services;
- providing incentives for the delivery of high-quality services;
- facilitating the transfer of knowledge and skills to Indigenous people (such that the benefits of the program extend beyond the life of the program itself); and
- strengthening capacity within government through improved professional training and by developing effective career paths in Indigenous policy and service delivery.

Priorities for support

For available funding to be used to best effect, priority should be given to:

- programs which maximise the likelihood of success in achieving key strategic objectives (such as the Closing the Gap targets and the goals of the RSD strategy);
- programs and funding mechanisms which take a long-term view (e.g., by focussing on the young);
- programs which can be patient and supportive of enduring change (including in the attitudes, expectations and behaviours of those assisted);
- programs which are evidence-based, build upon past experience (including evaluation findings) and minimise disruptive change; and
- programs which can leverage funding and support from other parties (e.g., industry, State/ Territory Governments, philanthropic organisations, and the not-for-profit sector).

Transitional arrangements

Any changes to current program arrangements should be subject to an orderly process of planning and transition which has regard to:

- current government commitments;
- legislative requirements;
- existing contractual obligations (e.g., with service providers); and

- the need for consultation and transition planning with the Indigenous community and organisations likely to be affected by change.

Released under FOI Act

ATTACHMENT C: SOME PRINCIPLES FOR INDIGENOUS PROGRAM DESIGN

Preamble

The general presumption should be that the providers of mainstream programs and services will be held accountable for delivering high-quality, culturally effective services which deliver effective outcomes for Indigenous people. Clear justification will be needed for the establishment and maintenance of an Indigenous-specific program to operate in parallel with, or as a complement to, mainstream services.

Any proposal for the establishment of a new Indigenous-specific funding program or enhancement of an existing program should be subject to assessment against the framework of principles set out below.

Justification for the program

Policy rationale: Program proposals should justify why a new program or program element is needed, over and above existing policy commitments and funding arrangements. The initiative should align clearly with Government policies and priorities: most importantly, the *Closing the Gap* strategy and related *Building Blocks*, and relevant COAG Agreements. The program should form part of a coherent, well-articulated strategy for change, with a clear relationship to other funding programs and policy instruments (such as COAG National Partnership Agreements).

Objectives: Program objectives should be clearly framed, in plain English. Intended outcomes should be specific rather than general, and cast in terms which lend themselves to measurement and evaluation. The planned timetable for change should be explicit.

Target group: The target group for the program should be clearly identified, along with an accompanying rationale (noting the wide variations in circumstances and needs within the Indigenous population).

Program logic: There should be a clear statement of the intended 'program logic': that is, the means by which the actions to be taken under the program can be expected to lead to changes consistent with the program's objectives. The statement should cite relevant theoretical evidence as well as practical research and evaluation findings (e.g., from earlier, related program interventions). Key assumptions should be clearly identified, including assumptions about the strength of the various causal links between program inputs and intended outcomes.

Risk management: The risks associated with the program (including any key dependencies on other parties, or uncertainties in the program logic) should be clearly identified as part of a risk management plan. The emphasis should be on risk management rather than undue risk avoidance. Innovation and experimentation should be encouraged and rewarded where these will serve to support the achievement of the program's objectives.

Scale and timeframe: The scale and timeframe of the program should be consistent with its objectives, target group and underlying program logic. Scale should be sufficient or scalable in the light of experience to achieve a material outcome. The time horizon should be realistic, having regard to the time needed to redress long-standing patterns of disadvantage and to

promote enduring changes in attitudes, expectations and behaviour. Programs with lengthy time frames for the achievement of outcomes should include intermediate milestones and outcome targets (to be measured through progress reports and evaluations).

Key design features

Engagement: Effective engagement with the people to be assisted should be an essential part of the design and operation of any Indigenous-specific program or element of a mainstream program. Engagement needs to go beyond mere consultation, providing Indigenous people with a genuine opportunity to influence both the design of the program and the ways in which services are delivered. Engagement should be an ongoing process, extending beyond the initial planning and implementation phase.

Integration and linkages: The program design should identify any key dependencies on other areas of government activity, and establish close links with related programs and services (including relevant mainstream programs). These links should be made explicit in the formulation of any new policy proposal. The objective should be foster effective collaboration and coordination across different Commonwealth portfolios, levels of government and service providers, with a clear focus on the achievement of desired outcomes rather than the protection of jurisdictional 'territory'.

Roles and responsibilities: The respective roles and responsibilities of government, individuals and communities should be clearly defined and periodically reviewed.

Service delivery: A commitment to effective service delivery should form an integral part of program planning and design. Service delivery arrangements should be consistent with the *Service delivery principles for programs and services for Indigenous people* (Schedule D to the COAG *National Indigenous Reform Agreement*, November 2008).

Flexibility: Programs should be sufficiently flexible in their design to accommodate a wide range of local conditions and circumstances. Rigid, centrally-determined rules should be avoided where these would constrain necessary flexibility of response. Delegation arrangements and levels of decision-making should be consistent with this flexibility principle, and the advocacy of single, narrowly-formulated 'fixes' should be avoided.

Incentives: Where relevant, the program design should include incentives for high levels of performance on the part of service providers. Program design can also provide both support and incentives for long-term changes in the attitudes, expectations and behaviours of program participants and their communities.

Quality standards: The framework of quality standards applying to Indigenous-specific funding programs should at least match those applying to corresponding mainstream programs and services. High levels of disadvantage should not be used as an excuse for inferior standards of service delivery and low levels of program performance.

Efficiency and value for money: The program proposal should include comprehensive costing details as the basis for an assessment of efficiency and value for money. It should also be able to demonstrate that the planned expenditure represents the best practical means of meeting the desired objectives. Costings should be explicit and realistic in their assumptions, making

suitable provision for location-specific cost factors (e.g., the higher costs in many remote communities), infrastructure requirements and evaluation activity.

Accountability: Programs should meet appropriate accountability standards, making clear provision for regular and transparent performance monitoring, reporting, evaluation and review. Key performance measures should be built into the program design from the outset, and bear a clear relationship to the program's stated objectives. Accountability for outcomes, and for progress towards outcomes, should attract an equal priority to accountability for the proper use of funds.

Funding agreements and reporting arrangements should avoid red tape and be kept as short and simple as reasonably possible, consistent with accountability considerations. The use of multi-agency and cross-jurisdictional agreements should be encouraged as a means of reducing the administrative and reporting burden on providers.

Evaluation: A robust evaluation strategy should be developed as an integral part of program design. As part of that strategy, sound baseline data should be assembled before the program starts as the basis for the measurement of change over time. Evaluations should be conducted independently, with any exceptions to be justified on a case-by-case basis. Programs should be reviewed, and modified or terminated as necessary, in the light of evaluation results.

Additional considerations

Where appropriate to the purposes of the program in question, the following criteria should also be addressed.

Capacity building: Programs should be designed to build the capacity and support the development of the individuals and communities they assist. There should be an active transfer of knowledge and skills both to program participants and to other key members of the community. The benefits of the program should extend beyond the life of the program itself, rather than expire when the program terminates.

Indigenous employment: Employment opportunities for Indigenous people should be maximised in the design and operation of the program. Where that is not realistic in the early phases of a program's operation, strategies should be developed to increase Indigenous employment over time.

Third-party involvement: Programs should be designed to maximise the involvement of relevant third parties (States and Territories, the corporate sector and the not-for-profit sector) where this would support the achievement of program objectives. The goal should be to broaden the base of support for effective change, strengthen the linkages between related activities and defray overall costs to the Commonwealth.

ATTACHMENT D: INDIGENOUS PROGRAMS CLASSIFIED BY PORTFOLIO

Program	Agency	Estimated spend 2009-10 \$000
Sustainable Management - Natural resources (Indigenous)- Indigenous Aquaculture Development	DAFF	137
Administered		40
Departmental		97
AFF portfolio sub total		137
National Indigenous Violence and Child Abuse Intelligence Task Force	ACC	5,943
Addressing Violence and Child Abuse in Indigenous Communities - Intelligence Task Force	AFP	209
Addressing Violence and Child Abuse in Indigenous Communities - Joint Strike Teams	AFP	468
Recruitment & Retention ('Indigenous Affairs)	AFP	343
Northern Territory Emergency Response - Promoting Law & Order	AFP	18,543
AFP sub total		19,563
Commonwealth Community Legal Services Programme - Indigenous Women's Initiatives	AGD	1,189
Administered		1,095
Departmental		94
Aboriginal Interpreting Services [was NT Aboriginal Interpreter Services]	AGD	550
Law and Justice Advocacy Development Program (LJAD)	AGD	2,641
Administered		2,580
Departmental		61
Native Title	AGD	6,793 ³²³
Administered		0
Departmental		6,793 ³²⁴
Indigenous Justice Program [was Prevention, Diversion, Rehabilitation and Restorative Justice Programme (PDRR)]	AGD	40,205
core program		6,576
Petrol Sniffing Strategy		3,513
Law and Order Measure (NTER/CTG in NT; night patrols)		25,750

³²³ Later estimate of \$4.441m has not been included in tabulations.

³²⁴ Later estimate of \$4.441m has not been included in tabulations.

CABINET IN CONFIDENCE

	CDEP real jobs, NT		1,999
	CDEP real jobs, non-NT (via FaHCSIA IESA until 2010-11)		1,004
	Departmental		1,363
Family Violence Prevention Legal Services Programme		AGD	20,751
	family violence administered		19,389
	family violence departmental		1,362
Legal Aid for Indigenous Australians Programme		AGD	53,691
	Legal aid administered		52,541
	Legal aid departmental		1,150
	AGD sub total		125,820
Indigenous Sea Rangers [previously listed as Illegal Foreign Fishing]		Customs	180
Engage and Train Torres Strait Islanders as Marine Crew to Serve in the Torres Strait		Customs	275
Indigenous Cadetship Support(ICS) [was 'Nat. Ind. Cadetship Prog.]		Customs	317
	Customs sub total		772
Native Title [Was Native Title Jurisdiction Matters]		Federal Court	9,731
Australians...(+32 more words) [Was Community Affairs Australian Human Rights Commission]		AHRC	758
Indigenous Entry Level Recruitment Program		ITSA	0
Resolution of native title issues over land and water [previously listed as Recognition and Protection of Native Title]		NNTT	29,766
	sub total AG portfolio		192,353
ABC Indigenous Online - Programmes and Education Development		ABC	3,221
Indigenous Communications Programme - Community Phones element		DBCDE	6,239
	administered		4,465
	departmental		1,774
Indigenous Communications Program - Internet and Training		DBCDE	22
	sub total DBCDE		6,261
Indigenous Radio		SBS	130
Indigenous Television & Online		SBS	2,880
	sub total BCDE portfolio		12,492

CABINET IN CONFIDENCE

Australian Defence Force Indigenous Employment Strategy	Defence	3,697
Defence Indigenous Development Program	Defence	3,308
Indigenous Liaison Officers and Review into Indigenous Heritage Issues	Defence	1,123
Army Aboriginal Community Assistance Project (AACAP)	Defence	6,000
sub total Defence portfolio		14,128

DEEWR Departmental 2009-10 onwards (unallocated)	DEEWR	52,725
Early Childhood		
Supporting Families - NTER Crèches	DEEWR	4,264
Support for Child Care		
Support for Child Care - Multifunctional Aboriginal Children's Services	DEEWR	15,000
Support for Child Care - Crèches	DEEWR	3,730
Support for Child Care - Flexible and Innovative Services	DEEWR	11,000
Support for Child Care - Play Groups	DEEWR	1,000
Support for Child Care - Outside School Hours Care	DEEWR	7,000
Support for Child Care - Mobile	DEEWR	3,500
sub total Support for Childcare		41,230
Preschool program element, Supplementary Recurrent Assistance (SRA) - preschool (government) sub program	DEEWR	2,847
Preschool program element, Supplementary Recurrent Assistance (SRA) - preschool (non government) sub program	DEEWR	6,193
Preschool program element, TPA NIELNS - preschool (non government) sub program	DEEWR	762
Preschool program element, Indigenous Support Units - preschool (non government) sub program	DEEWR	751
Preschool program element, Building Australia's Indigenous Workforce (BAIW) - preschool (non government) sub program	DEEWR	328
Total DEEWR Early Childhood		56,375

Schooling		
Enhancing Education - School Nutrition - DEEWR (NTER)	DEEWR	10,965
Closing the Gap - Expansion of Intensive Literacy and Numeracy Programs	DEEWR	15,020
	administered	14,600
	departmental	420

CABINET IN CONFIDENCE

Closing the Gap - Personalised Learning Plans	DEEWR	1,550
administered		1,500
departmental		50
Indigenous Support Units - Non-government Schools	DEEWR	337
Parent and Community Engagement (previously: Parent School Partnerships Initiative)	DEEWR	20,734
Targeted Projects - Other	DEEWR	3,596
Targeted Projects - Dare to Lead	DEEWR	4,328
Targeted Projects - What Works	DEEWR	1,924
Targeted Projects - sub total		9,848
Indigenous Education Leadership Institute - Stronger Smarter Learning Communities	DEEWR	0
Program Support	DEEWR	1,000
Indigenous Education Consultative Bodies (IECBs)	DEEWR	2,190
Indigenous Youth Mobility Program (IYMP)	DEEWR	15,577
less estimated payments to AHL		4,000
adjusted IYMP		11,577
Indigenous Youth Leadership Program (IYLP)	DEEWR	14,134
Sporting Chance Program		5,480
Sporting Chance Program 2009 Budget Measure		1,921
Total Sporting Chance	DEEWR	7,401
Community Festivals	DEEWR	3,050
MULTILIT/SET in Cape York	DEEWR	2,133
Substance Abuse	DEEWR	865
Additional Teachers for the NT	DEEWR	20,092
New Boarding Facilities in the Northern Territory	DEEWR	5,051
AEIF - Indigenous Scholarship	DEEWR	12,500
ABSTUDY Secondary	DEEWR	114,734
Total Schooling		253,180
Vocational Education and Training		
Vocational education program element, Supplementary Recurrent Assistance (SRA) - VET non government sub program	DEEWR	4,310
Vocational education program element, Transitional Program Assistance (TPA) National Indigenous English Language & Literacy Strategy (NIELNS) - Bachelor Institute of Indigenous Tertiary Education (BIITE) VET (government) sub program	DEEWR	1,097
Vocational education program element, Indigenous Tutorial Assistance Scheme (ITAS) - VET (non government) sub program	DEEWR	785
Away from Base for 'mixed-mode' delivery - Section 13 <i>Indigenous Education (Targeted Assistance) Act 2000</i> (IETA)	DEEWR	26,294
Training Initiatives for Indigenous Adults in Regional and Remote Communities (TIFIARRC)	DEEWR	6,024

CABINET IN CONFIDENCE

	Total Vocational Education and Training	38,510
	Higher Education	
Indigenous Staff Scholarships	DEEWR	175
Indigenous Higher Education Advisory Council	DEEWR	296
Indigenous Support Programme (ISP)	DEEWR	35,140
Indigenous Access Scholarships	DEEWR	4,253
ABSTUDY Tertiary	DEEWR	50,494
ITAS - Tertiary Tuition	DEEWR	7,908
	Total Higher Education	98,266
	Employment	
Indigenous Employment Programme [to be considered as 5 separate 'programs', as below]		
Employment program element, Indigenous Cadetship Support sub program	DEEWR	7,700
Employment program element, Indigenous Wage Subsidy sub program	DEEWR	7,000
Employment program element, CDEP Work Experience Subsidy sub program	DEEWR	2,050
Business & Econ. Dev. Program element, Indigenous Capital Assistance Scheme sub program	DEEWR	26,300
Employer, Industry & Workplace Strategies - Including Voluntary Mobility Assistance, Aspiration Building & Language, Literacy & Numeracy	DEEWR	95,706
Total Indigenous Employment Programme		138,756
Workplace English Language & Literacy program element, Language Literacy & Numeracy assistance for IEP participants sub program	DEEWR	4,387
Language Literacy & Numeracy Program (NTER)	DEEWR	981
	Total Employment	144,124
	sub total EEWR portfolio	643,180
Indigenous Acquisitions Fund	ANMM	85
Aboriginal and Torres Strait Islander Arts Program	Australia Council	4,286
Cape York Welfare Reform Trial - DEWHA Arts and Culture positions	DEWHA	219
Indigenous Employment and Capability Strategy 2007 - 2010	DEWHA	120

CABINET IN CONFIDENCE

Caring for our Country (C4oC)	DEWHA	3,600
Indigenous Land Management Facilitators		1,500
Indigenous Emissions Trading (administered)		2,100
Working on Country (WOC) element of the C4oC initiative	DEWHA	12,000 ³²⁵
Working on Country NT	DEWHA	11,788
Working on Country Regional	DEWHA	9,909
Working on Country Flexible	DEWHA	3,777
Working on Country trainees	DEWHA	1,750 ³²⁶
Aboriginal and Torres Strait Islander Heritage Protection Act 1984	DEWHA	213
Indigenous Protected Areas Programme	DEWHA	9,121
	administered	7,994
	departmental	1,127
Renewable Remote Power Generation Program (RRPG) - Bushlight	DEWHA	3,600 ³²⁷
Return of Indigenous Cultural Property	DEWHA	2,136
Indigenous Heritage Program	DEWHA	4,313
	administered	3,645
	departmental	668
Indigenous Culture	DEWHA	29,787
Indigenous Broadcasting	DEWHA	15,531
	administered	14,588
	departmental	943
Cultural Development Programme (CDP) Indigenous Dance Training - National Aboriginal & Islander Skills Dev. Association (NAISDA)	DEWHA	1,352
CDP Art Training and Facilities - NAISDA construction project	DEWHA	5,169
	administered	5,029
	departmental	
National Indigenous Television (NITV)	DEWHA	15,439
	DEWHA sub total	129,824
Indigenous Partnerships Program (which includes Reef Rescue)	GBRMPA	2,550

³²⁵ Later estimate of \$18.823m has not been included in tabulations.

³²⁶ Later estimate of \$1.224m has not been included in tabulations.

³²⁷ Later estimate of \$1.100m has not been included in tabulations.

CABINET IN CONFIDENCE

Indigenous Expenditure	NFSA	664
National Gallery of Australia	NGA	440
Aboriginal and Torres Strait Islander Programme	NMA	1,299
Indigenous Expenditure	Screen Aust.	4,641
EWHA portfolio sub total		143,789



Homeless Community Hostels	AHL1	328
Medical Community Hostels	AHL2	55
School Student Community Hostels	AHL3	1,467
Substance Use and Rehabilitation Community hostels	AHL4	2,349
Tertiary Education and Training Community Hostels	AHL5	388
Transient Community Hostels	AHL6	572
sub total Community Operated Hostels	AHL	5,159
Aged Care Company Hostels	AHL7	1,078
Homeless Company Hostels	AHL8	324
Medical Company Hostels	AHL9	3,477
Renal Care Company Hostels	AHL10	2,103
School Student Company Hostels	AHL11	5,796
Tertiary Education and Training Company Hostels	AHL12	2,938
Transient Company Hostels	AHL13	26,905
sub total Company Owned and Operated Hostels	AHL	42,621
AHL Hostels	AHL1 to 13	47,780
AHL Indigenous Youth Mobility Program	AHL14	5,365
sub total AHL		53,145
FaHCSIA Departmental in AGIE but not in survey responses	FaHCSIA	272,068
CTG NT Playgroups Program - Intensive Support Playgroups (ISPs)	FaHCSIA	3,375
CTG NT - Locational Support Playgroups (LSPs)	FaHCSIA	1,278
Expansion of playgroups for Indigenous families	FaHCSIA	4,005
Longitudinal Study of Indigenous Children	FaHCSIA	3,085
Indigenous Parenting Support Services (IPSS)	FaHCSIA	5,469
Indigenous Children's Programme	FaHCSIA	5,489

CABINET IN CONFIDENCE

Indigenous Disability Employment	FaHCSIA	54
Native Title and Land Rights	FaHCSIA	76,876
Community Development Employment Projects	FaHCSIA	432,401
	less IESA amounts reported elsewhere	26,450
	adjusted CDEP/IESA	405,951
Aboriginal Disability Network	FaHCSIA	300
Asbestos	FaHCSIA	15,721
CTG NT - Family Support Package	FaHCSIA	5,475
CTG NT - Local Priorities Fund	FaHCSIA	10,047
CTG NT - Youth in Communities	FaHCSIA	9,279
CTG NT - Community Stores	FaHCSIA	7,900
	administered	3,400
	departmental	4,500
Community Housing and Infrastructure Needs	FaHCSIA	23,319
Reconnect	FaHCSIA	2,690
Aboriginals Benefit Account - discretionary payments	FaHCSIA	50,000
Community Support Service	FaHCSIA	14,611
Indigenous Boarding Hostels Partnerships (IBHP)	FaHCSIA	25,748
Fixing Houses for Better Health	FaHCSIA	5,500
Indigenous Mothers' Accommodation Fund	FaHCSIA	6,300
FaHCSIA Home Ownership on Indigenous Land	FaHCSIA	700
Animal Management in Rural & Remote Indigenous Communities	FaHCSIA	188
Community Housing and Infrastructure (National Aboriginal Health Strategy and Army Aboriginal Community Assistance)	FaHCSIA	6,668
Municipal & Essential Services (MUNS)	FaHCSIA	52,694
Indigenous Communities Strategic Investment (ICSI)	FaHCSIA	34,579
Indigenous Communities Strategic Investment (ICSI) Special Account	FaHCSIA	0
Leadership Delivery	FaHCSIA	10,408
Repatriation	FaHCSIA	568
Public Awareness	FaHCSIA	2,981
Payments to Universities & other Institutions for Indigenous Research	FaHCSIA	780
Reconciliation Australia	FaHCSIA	0
Healing Foundation	FaHCSIA	5,904
Family Violence Regional Activities Programme (RAP)	FaHCSIA	5,404
CTG NT Law and Order	FaHCSIA	7,900
Family Violence Partnership Program	FaHCSIA	10,025
Financial Management Program	FaHCSIA	11,554

CABINET IN CONFIDENCE

Indigenous Interpreters	FaHCSIA	900
Office of the Registrar of Indigenous Corporations (ORIC) - governance training	FaHCSIA	2,205
Office of the Registrar of Indigenous Corporations (ORIC) -other	FaHCSIA	7,795
	FaHCSIA sub total	1,115,793
IBA Home Ownership on Indigenous Land	IBA	9,474
IBA Home Ownership Program	IBA	32,281
IBA Enterprises	IBA	27,227
Equity and Investment	IBA	19,511
	IBA sub total	88,493
Indigenous Land Corporation (ILC)	ILC	15,838
TSRA Native Title	TSRA	2,373
TSRA Economic Development	TSRA	36,353
TSRA - Culture, Art & Heritage	TSRA	2,305
TSRA Governance Leadership	TSRA	4,326
TSRA Environment	TSRA	3,162
TSRA Healthy Communities	TSRA	17,949
TSRA Safe Communities	TSRA	2,808
	TSRA sub total	69,276
	FaHCSIA portfolio sub total	1,342,545
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AusAID	AusAID	110
	administered	
	departmental	110
Aboriginal and Torres Strait Islander Pathways to Employment (Pathways) Programme	Austrade	146
Aboriginal and Torres Strait Islander Pathways to Employment (Pathways) Programme: Foreign Affairs & Trade - Indigenous Cadetship Program	DFAT	463
Foreign Affairs and Trade - Images of Australia	DFAT	170
	DFAT sub total	633
EFIC	EFIC	24
	FAT portfolio sub total	913
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CABINET IN CONFIDENCE

Australian Electoral Commission Indigenous Specific Expenditure	AEC	1,200
Office of Evaluation and Audit	DOFD	5,305
	F&D portfolio sub total	6,505

DoHA departmental AGIE from PBS, unallocated to programs	DoHA	73,221
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PHC related

Primary Health Care Services	DoHA	375,818
Closing the Gap - Northern Territory	DoHA	55,633
Chronic disease	DoHA	63,854
Healthy for life	DoHA	38,176
	sub-total	533,481

child/maternal health

New Directions: Mothers & Babies	DoHA	19,308
New Directions: Rheumatic Fever	DoHA	3,038
Australian Nurse Family Partnerships Program	DoHA	9,424
	Sub-total	31,770

Substance use

Capacity Building in Indigenous Communities	DoHA	1,027
Tough on Drugs - Indigenous Communities Initiative	DoHA	3,975
Centre for Excellence in Indigenous Tobacco Control (CEITC)	DoHA	444
Indigenous Tobacco Control Initiative	DoHA	5,000
Petrol Sniffing Diversion Project	DoHA	986
Substance use - Combating Petrol Sniffing	DoHA	11,497
Substance use - COAG Initiatives	DoHA	29,141
	sub-total	52,070

Social and Emotional Wellbeing

Link Up/Bringing them home	DoHA	25,229
COAG Mental Health	DoHA	3,618
	sub-total	28,847

Mainstream access/financing

MBS item for Aboriginal Health Worker immunisation and wound management	DoHA	1,243
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CABINET IN CONFIDENCE

MBS item for Indigenous adult health check for Aboriginal and Torres Strait Islander people aged 15 to 54 years	DoHA	4,611
MBS item for Indigenous child health check for Aboriginal and Torres Strait Islander children 0-14 years	DoHA	4,178
MBS Item health check follow up	DoHA	2,899
Section 19(2) exemptions for Aboriginal Medical Services under the Health Insurance Act	DoHA	35,260
§100 Pharmacy Support Allowance	DoHA	2,264
§100 Aboriginal Health Service Program [was 'Alternative Arrangements for the Delivery of Pharmaceutical Benefits]	DoHA	38,700
Quality Assurance for Aboriginal Medical Services (QAAMS) Program	DoHA	874
Quality use of medicines maximised for Aboriginal and Torres Strait Islander Peoples (QUMax)	DoHA	2,749
sub-total		92,778
Workforce		
Indigenous Health Training Posts	GPET	9,000
Aboriginal Health Training	GPET	750
National Indigenous Health Workforce Training (including Puggy Hunter Memorial Scholarship Scheme [PHMSS])	DoHA	15,056
Aboriginal and Torres Strait Islander Pharmacy Scholarship Scheme	DoHA	224
Aboriginal and Torres Strait Islander Pharmacy Assistant Traineeship Scheme (ATSIPATS) - Allowance	DoHA	240
sub-total		25,270
Data/Research		
Health and welfare of Aboriginal and Torres Strait Islanders	AIHW	168
NHMRC Indigenous Research Grants	NHMRC	31,414
sub-total		31,582
Specific issues/other		
Australian Hearing Special Programme for Indigenous Australians (community services obligation)	DoHA	4,313
Improving eye and ear health services for Indigenous australians for better education and employment outcomes	DoHA	4,457
National Aboriginal and Torres Strait Islander Flexible Aged Care Program	DoHA	23,500
Mobile Dental Services Pilot	DoHA	960
sub-total		33,230
Sport and Recreation		
Indigenous Sport and Recreation Program	DoHA	12,770
Indigenous Sports Program	ASC	1,508
Sub-total		14,278

CABINET IN CONFIDENCE

H&A portfolio sub total

916,527

Welfare Reform and Employment - Income Management - Centrelink [Existing AGIE item to be disaggregated]

	Centrelink	
Centrelink Community Agent Program	Centrelink	7,312
Centrelink Cape York Welfare Reform Trial (Income Management component)	Centrelink	1,743
Centrelink Child Protection (Income Management - WA)	Centrelink	8,241
Centrelink Income Management School Nutrition....	Centrelink	1,433
Centrelink Welfare Reform and Employment - Other Indigenous Programs	Centrelink	133,365
Centrelink Income Management -CDEP	Centrelink	5,185
	Centrelink sub total	157,279

DHS 'Income Management'

	DHS	8,624
	administered	3,966
	departmental	4,658

Medicare Aus. - Indigenous Access Unit (IAU) and Medicare Liaison Officers for Indigenous Access (MLO)

Subsidising PBS for Indigenous Australians	Medicare Australia	3,676
PIP Indigenous Health Incentive	Medicare	0
	Medicare	2,507
	Medicare sub total	6,183

HS portfolio sub total

172,086

Collection Development and Management

Dissemination of Information	AIATSIS	10,995
Research	AIATSIS	1,125
	AIATSIS	3,849
	AIATSIS sub total	15,969

Discovery Indigenous Researchers' Development Scheme (DIRD)

	ARC	1,850
	administered	1,800
	departmental	50

National Indigenous Cadetship Program

	DIISR	95
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CABINET IN CONFIDENCE

(includes DEEWR contributions) 30

IISR portfolio sub total 17,914

Remote Aerodrome Infrastructure Fund (RAIF)	DITRDLG	3,000
	administered	2,789
	departmental	211
Regional Aerodrome Inspection (RAI) Program	DITRDLG	400

ITRDG portfolio sub total 3,400

Recruitment & retention of Indigenous employees across the Australian Government	APSC	4,000
Coordination on the Ground - Commonwealth Ombudsman Services	Com. Ombudsman	841
Indigenous Policy Support - Outcome 1	PM&C	1,092

PMC portfolio sub total 5,933

Working in Partnership	RET	500
Tourism Niche Market Development Indigenous Programme Delivery	Tourism Australia	600

Resources Energy Tourism portfolio sub total 1,100

Indigenous Outreach Program	ASIC	780
Indigenous Education Program	ASIC	73

Indigenous employment and development	ATO	2,444
Indigenous tax assistance and public education	ATO	265

Productivity Commission Funding - Overcoming Indigenous Disadvantage report and Indigenous Expenditure Report	Productivity Commission	2,068
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Treasury portfolio sub total 5,630

Total Number of Programs

232

Total estimated Indigenous specific program and Indigenous specific mainstream expenditure

3,478,632

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ATTACHMENT E: PROPOSED TREATMENT OF PROGRAMS BY FUNCTION

1. Early Childhood Development
2. Schooling
3. Youth at Risk
4. Health
5. Economic Participation
6. Housing, Home Ownership and Infrastructure
7. Families, Communities and Child Protection
8. Governance and Leadership
9. Culture, Arts and Heritage
10. Native Title and Land Rights
11. Other Programs

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MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – EARLY CHILDHOOD DEVELOPMENT

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Supporting Families - NTER Crèches	Funding for the construction and operation of nine new crèches and upgrading of 13 existing crèches in remote communities in the Northern Territory that previously had little or no access to early childhood programs for children under five years of age and to address urgent health and safety issues of existing crèches.	DEEWR	4.264	Support earlier consolidation into single BBF program within the Community Support Program, under the Child Care Services Program, that flexibly supports a range of proven service models.	BBF services were clustered into the Non-Mainstream program in 2003 as one element of the Community Support Program under the Child Care Services Program. Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Support for Child Care - Multifunctional Aboriginal Children's Services	Funding for the educational, social and developmental needs of Aboriginal and Torres Strait Islander children. Long day care is provided for preschool children with each MACS providing at least one other form of child care or activity such as outside school hours care, playgroups, nutrition programs and/or parenting programs.	DEEWR	15.000	Support earlier consolidation into single BBF program within the Community Support Program, under the Child Care Services Program, that flexibly supports a range of proven service models.	BBF services were clustered into the Non-Mainstream program in 2003 as one element of the Community Support Program under the Child Care Services Program. Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Support for Child Care - Crèches	The crèche model provides a flexible form of child care where other forms of child care are not available. Crèches are centre-based and operate for flexible hours, offering culturally-appropriate child care programs and an introduction to early learning.	DEEWR	3.804	Support earlier consolidation into single BBF program within the Community Support Program, under the Child Care Services Program, that flexibly supports a range of proven service models.	BBF services were clustered into the Non-Mainstream program in 2003 as one element of the Community Support Program under the Child Care Services Program. Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Support for Child Care - Flexible and Innovative Services	Flexible/innovative child care services provide flexible early childhood education and care to families living in rural and remote communities with dispersed populations, where quality child care may not be available or is not suited to local circumstances.	DEEWR	11.000	Support earlier consolidation into single BBF program within the Community Support Program, under the Child Care Services Program, that flexibly supports a range of proven service models.	BBF services were clustered into the Non-Mainstream program in 2003 as one element of the Community Support Program under the Child Care Services Program. Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known

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Support for Child Care - Play Groups	Indigenous playgroups provide children not yet attending school with a wide range of culturally appropriate developmental, educational and socialisation activities that are relevant to the local community.	DEEWR	1.000	Transfer this playgroup program to FAHCSIA, as part of the Family Support program cluster	This Indigenous playgroup program should be closely linked to other similar programs, with common administration and performance management arrangements.	None known
Support for Child Care - Outside School Hours Care	Care before and/or after school and/or during vacation time, focussing on providing stimulating developmental, social and recreational activities for children, while meeting the care requirements of families.	DEEWR	7.000	Support earlier consolidation into single BBF program within the Community Support Program, under the Child Care Services Program, that flexibly supports a range of proven service models.	BBF services were clustered into the Non-Mainstream program in 2003 as one element of the Community Support Program under the Child Care Services Program. Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Support for Child Care - Mobile	Mobile child care services provide opportunities for socialisation and participate in early childhood education opportunities that would not otherwise be available to children.	DEEWR	3.500	Support earlier consolidation into single BBF program within the Community Support Program, under the Child Care Services Program, that flexibly supports a range of proven service models.	BBF services were clustered into the Non-Mainstream program in 2003 as one element of the Community Support Program under the Child Care Services Program. Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Preschool program element, Supplementary Recurrent Assistance (SRA) - preschool (government] sub program	To accelerate the educational outcomes for Indigenous Australians in government preschools beyond what could reasonably be expected from mainstream and own source funding alone.	DEEWR	2.819 (2009 academic year)	Transfer responsibility to States and Territories as part of the scheduled review of the Early Childhood Education NPA, with residual funding offered towards Priority for Investment.	Preschools are a core state/territory responsibility. Funding should be redirected to other Priorities for Investment.	Constraint: States and Territories may resist transfer of responsibility if not accompanied by funding, especially for non-government providers.
Preschool program element, Supplementary Recurrent Assistance (SRA) – preschool (non government] sub program	To accelerate the educational outcomes for Indigenous Australians in non-government preschools beyond what could reasonably be expected from mainstream and own source funding alone.	DEEWR	6.133 (2009 academic year)	Transfer responsibility to States and Territories as part of the scheduled review of the Early Childhood Education NPA, with residual funding offered towards Priority for Investment.	Preschools are a core state/territory responsibility. Funding should be redirected to other Priorities for Investment.	Constraint: States and Territories may resist transfer of responsibility if not accompanied by funding, especially for non-government providers.
Preschool program element, TPA NIELNS - preschool (non government) sub program	To accelerate the educational outcomes for Indigenous Australians in non-government preschools beyond what could reasonably be expected from mainstream and own source funding alone.	DEEWR	1.450 (2009 academic year)	Transfer responsibility to States and Territories as part of the scheduled review of the Early Childhood Education NPA, with residual funding offered towards Priority for Investment.	Preschools are a core state/territory responsibility. Funding should be redirected to other Priorities for Investment.	Constraint: States and Territories may resist transfer of responsibility if not accompanied by funding, especially for non-government providers.

CABINET IN CONFIDENCE

Preschool program element, Indigenous Support Units - preschool (non government) sub program	Provide advice and support to independent schools and early childhood centres with Indigenous students, including in remote areas in Queensland and NSW.	DEEWR	0.743 (2009 academic year)	Transfer responsibility to States and Territories as part of the scheduled review of the Early Childhood Education NPA, with residual funding offered towards Priority for Investment	Preschools are a core state/territory responsibility. Funding should be redirected to other Priorities for Investment.	Constraint: States and Territories may resist transfer of responsibility if not accompanied by funding, especially for non-government providers.
Preschool program element, Building Australia's Indigenous Workforce (BAIW) - preschool (non government) sub program	Funding to non-government preschool providers for converting CDEP positions into real jobs.	DEEWR	0.324 (2009 academic year)	Transfer responsibility to States and Territories as part of the scheduled review of the Early Childhood Education NPA, with residual funding offered towards Priority for Investment	Preschools are a core state/territory responsibility. Funding should be redirected to other Priorities for Investment.	Constraint: States and Territories may resist transfer of responsibility if not accompanied by funding, especially for non-government providers.
Playgroups Program - Intensive Support Playgroups (ISPs)	ISPs are targeted at Indigenous families with children aged 0-5 years that are in crises or in insecure, overcrowded or problematic housing and/or are at risk of homelessness, so that children have access to a regular quality playgroup experience, regardless of individual circumstances.	FaHCSIA	3.375	Consolidate within the mainstream Family Support Program that flexibly supports a range of proven service models.	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Playgroups Program – Locational Supported Playgroups (LSPs)	[See Playgroups Program - Intensive Support Playgroups (ISPs), above.]	FaHCSIA	1.278	Consolidate within the mainstream Family Support Program that flexibly supports a range of proven service models.	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Expansion of Playgroups for Indigenous families	[See Playgroups Program - Intensive Support Playgroups (ISPs), above]	FaHCSIA	3.48	Consolidate within the mainstream Family Support Program that flexibly supports a range of proven service models.	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Indigenous Children's Program	To provide intensive, targeted and coordinated support for parents and children aged from birth to twelve years who are vulnerable, at risk or in disadvantaged communities, to improve child development, child safety and family functioning.	FaHCSIA	5.489	Consolidate within the mainstream Family Support Program that flexibly supports a range of proven service models.	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
Indigenous Parenting Support Services (IPSS)	To help Indigenous parents to overcome barriers to good family relationships and support through transitions to child care, pre-school and primary school. The parent-child services target families with children aged up to twelve years old with a particular focus on children under the age of two.	FaHCSIA	4.775	Consolidate within the mainstream Family Support Program that flexibly supports a range of proven service models.	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known

CABINET IN CONFIDENCE

Longitudinal Study of Indigenous Children	To provide high quality quantitative and qualitative data into Indigenous children's early years and their development.	FaHCSIA	3.085	No change	Key longitudinal research program to inform evidence base	Not applicable
New Directions: Mothers & Babies	To improve child and maternal health outcomes for Indigenous mothers and their children.	DoHA	19.308	Consolidate into single Indigenous Child and Maternal Health program – as a generic subprogram - that flexibly supports a range of proven service models. Funding levels reflect level of service commitment	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	Constraint: Funding is part of the COAG NPA on Indigenous Early Childhood Development
Australian Nurse Family Partnerships Program	Via sustained home visiting from pregnancy through to age 2, to improve pregnancy outcomes, improve child's health and development, and help parents develop a vision for their own future, including continuing education and finding work.	DoHA	9.424	Consolidate into single Indigenous Child and Maternal Health program – as a generic subprogram - that flexibly supports a range of proven service models. Funding levels reflect level of service commitment	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility.	None known
New Directions: Rheumatic Fever Strategy	To provide a coordinated program of prevention and treatment as a first step towards eradicating Acute Rheumatic Fever and Rheumatic Heart Disease, particularly in Indigenous communities.	DoHA	3.038	Consolidate into single Indigenous Child and Maternal Health program – as a targeted initiative. Funding levels reflect level of service commitment	This is a targeted, evidence based intervention designed to tackle a serious public health concern in Indigenous communities.	Currently managed in two different Divisions within DOHA.

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MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – SCHOOLING

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Parent and Community Engagement (PACE)	To build the capacity of Indigenous families and communities to engage with schools and education providers with a view to improving community understanding of the importance and value of education; raising community aspirations and expectations; supporting higher educational outcomes; developing effective partnerships between communities and schools; and supporting children’s learning at home.	DEEWR	20.734	Retain but restructure. Pool the resources for the three ‘engagement’ programs (PACE, Sporting Chance and Community Festivals) into a single funding allocation which can be targeted strategically to support community and student engagement in education.	Funds could be used more strategically, with greater flexibility to shift resources as needs or priorities change, or as new evaluation evidence comes to hand.	The integrated program could offer a menu of eligible ‘engagement’ activities, including activities of the kind funded under existing programs. Clear links should be drawn with the operation of the <i>Indigenous Education Action Plan</i> , the <i>Smarter Schools</i> National Partnership Agreements and the <i>Remote Services Delivery Strategy</i> .
Sporting Chance	To use sport as a vehicle for improving the educational participation and outcomes of Indigenous students, particularly those deemed at risk of not completing their schooling.	DEEWR	7.401	Retain but restructure. Pool the resources for the three ‘engagement’ programs (PACE, Sporting Chance and Community Festivals) into a single funding allocation which can be targeted strategically to support community and student engagement in education.	Funds could be used more strategically, with greater flexibility to shift resources as needs or priorities change, or as new evaluation evidence comes to hand.	The integrated program could offer a menu of eligible ‘engagement’ activities, including activities of the kind funded under existing programs. Clear links should be drawn with the operation of the <i>Indigenous Education Action Plan</i> , the <i>Smarter Schools</i> National Partnership Agreements and the <i>Remote Services Delivery Strategy</i> . Improvements should be made in the targeting of program resources (currently, a high proportion of participants are males, and providers rather than government often determine the localities in which the program will operate).

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Community Festivals	To sponsor participation in community festivals as a means of improving the educational participation and outcomes of Indigenous students.	DEEWR	3.050	Retain but restructure. Pool the resources for the three 'engagement' programs (PACE, Sporting Chance and Community Festivals) into a single funding allocation which can be targeted strategically to support community and student engagement in education.	Funds could be used more strategically, with greater flexibility to shift resources as needs or priorities change, or as new evaluation evidence comes to hand.	The integrated program could offer a menu of eligible 'engagement' activities, including activities of the kind funded under existing programs. Clear links should be drawn with the operation of the <i>Indigenous Education Action Plan</i> , the <i>Smarter Schools</i> National Partnership Agreements and the <i>Remote Services Delivery Strategy</i> .
Enhancing Education - School Nutrition (NTER)	To encourage higher rates of school attendance by providing a breakfast and/or lunch service for school-aged children attending school in prescribed (NTER) communities of the Northern Territory.	DEEWR	10.965	Program effectiveness should be reviewed as part of the planned NTER evaluation strategy. Any continuing funding should be subject to development of a transition plan which recognises the primary responsibility of families and communities in this domain.	While the program has boosted Indigenous employment and appears to have had some positive effects on children's nutrition, there is no evidence to date that it has made any headway in meeting its primary objective of increasing school attendance rates in the NTER communities.	NTER measure. A strategy is needed by which, in time, communities can take over the operation of their local SNP service, where the service is sustainable without government funding, or alternatively put in place an orderly exit strategy. Any continuing funding should be subject to the development of a transition plan along these lines.
Closing the Gap - Expansion of Intensive Literacy and Numeracy Programs	To establish an evidence base around: (i) innovative literacy and numeracy projects which will contribute to a national menu of best practice; and (ii) learning methods that will enable assessment of structured approaches to teaching literacy and numeracy to Indigenous students.	DEEWR	16.100	Program should be evaluated for effectiveness. Any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of the <i>Smarter Schools National Partnership Agreements</i> .	Literacy and numeracy teaching is a key responsibility of mainstream education systems. The COAG <i>NPA on Literacy and Numeracy</i> provides substantial funding for related purposes (\$580 million over 4 years, including \$40 million for research).	Election commitment. The new <i>Closing the Gap Clearinghouse</i> should be used to share information on good practice in the teaching of literacy and numeracy to Indigenous students.
Closing the Gap – Individual Learning Plans	To provide professional development support for teachers in preparing and maintaining personalised learning plans for all Indigenous students up to Year 10.	DEEWR	0	Program should be evaluated for effectiveness. Any continuing funding beyond the expiry of current provider contracts should be brought within the ambit of the <i>Smarter Schools National Partnership Agreements</i> .	The professional development of teachers is a key responsibility of mainstream education systems. The COAG <i>NPA on Improving Teacher Quality</i> provides substantial funding (\$550 million over five years) for related purposes.	Election commitment. Activities under this measure are project-based. The initiative was announced as a component of the program <i>Closing the Gap – Expansion of Intensive Literacy and Numeracy Programs</i> (see above).

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Indigenous Support Units – Non-government Schools	To provide support for the Association of Independent Schools of Western Australia (AISWA) in delivering services to 14 Aboriginal Independent Community schools in remote and rural locations.	DEEWR	0.337	Cease program on expiry of current funding contract.	Program provides support for the operation of a peak body rather than direct support to schools or students. No evidence that the program is making any material contribution to achievement of the <i>Closing the Gap</i> targets.	Relationships with AISWA would need to be managed.
Targeted Projects – Other	Discretionary program, supporting activities not readily funded elsewhere.	DEEWR	3.596	Cease on expiry of current provider contracts.	No evidence that the program is making any material contribution to achievement of the <i>Closing the Gap</i> targets.	
Program Support	Discretionary program providing assistance for support activities (e.g., attendance at conferences).	DEEWR	1.000	Cease program on expiry of current provider contracts.	No evidence that the program is making any material contribution to achievement of the <i>Closing the Gap</i> targets.	
Targeted Projects – Dare to Lead	To provide leadership development opportunities for school principals, with particular emphasis on strategies for improving the educational outcomes of Indigenous students. The program also promotes cultural understanding and intercultural exchange through cultural tours, school visits and access to best-practice resources.	DEEWR	4.328	Program should be evaluated for effectiveness. Any continuing funding beyond the expiry of current provider contracts should be used to support innovation in professional practice, and be brought within the ambit of the <i>National Partnership Agreement on Improving Teacher Quality</i> .	The professional development of school principals is a key responsibility of mainstream education systems. The COAG <i>NPA on Improving Teacher Quality</i> provides substantial funding (\$550 million over five years) for staff development, including for activities of this kind.	Evaluation results should be disseminated progressively to inform school-level strategies under the <i>Indigenous Education Action Plan</i> .
Targeted Projects – What Works	To deliver professional development workshops to teachers in all States and Territories. The workshops focus on teaching strategies designed to improve outcomes for Indigenous students.	DEEWR	1.924	Program should be evaluated for effectiveness. Any continuing funding beyond the expiry of current provider contracts should be used to support innovation in professional practice, and be brought within the ambit of the <i>National Partnership Agreement on Improving Teacher Quality</i> .	The professional development of teachers is a key responsibility of mainstream education systems. The COAG <i>NPA on Improving Teacher Quality</i> provides substantial funding (\$550 million over five years) for staff development, including for activities of this kind.	Evaluation results should be disseminated progressively to inform school-level strategies under the <i>Indigenous Education Action Plan</i> .
Indigenous Education Leadership Institute – Stronger Smarter Learning Communities	To provide leadership programs to principals and teachers involved in the teaching of Indigenous students. The project will support a national network of 60 'learning community hubs' (12 to be selected each year), with a focus on building teacher capacity and promoting a culture of 'high expectations'.	DEEWR	0	Program should be evaluated for effectiveness. Any continuing funding beyond the expiry of current provider contracts should be used to support innovation in professional practice, and be brought within the ambit of the <i>National Partnership Agreement on Improving Teacher Quality</i> .	The professional development of teachers is a key responsibility of mainstream education systems. The COAG <i>NPA on Improving Teacher Quality</i> provides substantial funding (\$550 million over five years) for teacher development, including for activities of this kind.	Total program funding of \$16 million was committed in 2008-09 for expenditure over the period 2009-12. Evaluation results should be disseminated progressively to inform school-level strategies under the <i>Indigenous Education Action Plan</i> .

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MULTILIT/SET in Cape York	To help the four schools participating in the Cape York Welfare Reform Trial to improve the literacy and numeracy skills of their students. The program also aims to increase family and community engagement in education.	DEEWR	2.133	Review the terms of the Commonwealth's support for this measure in light of the decisions recently announced by the Queensland Government on the funding of schools in Cape York.	In December 2009 the Queensland Government announced a significant program of funding support for two of the four schools (Aurukun and Coen) supported under the Commonwealth's program (see details in text).	The MULTILIT/SET in Cape York program represents one element of the nationally significant Cape York Welfare Reform initiative.
Additional 200 Teachers for the Northern Territory	To employ 200 additional teachers in the Northern Territory to assist in educating approximately 4,500 Indigenous students either not enrolled at school or not attending regularly enough to benefit from their schooling.	DEEWR	20.092	Appropriateness of this funding arrangement should be reviewed before the expiry of the current funding commitment in June 2012. In the interim, funding for this measure should be provided by way of a variation to the terms of the <i>National Partnership Agreement on Closing the Gap in the Northern Territory</i> .	Employment of teachers is a key responsibility of mainstream providers. Effectiveness is also at issue: only 85 additional teachers had been employed in NT government schools by October 2009 (half the planned allocation of 170), and there has been no significant improvement in either enrolment or attendance rates to date.	Election commitment. Funding for this measure would more appropriately be provided under the <i>National Partnership Agreement on Closing the Gap in the Northern Territory</i> .
ABSTUDY Secondary	To promote Indigenous participation in secondary education and improve Indigenous education outcomes. ABSTUDY is an entitlement-based scheme, offering a means-tested living allowance and other supplementary benefits (assistance with fares, books, etc.) to eligible Indigenous secondary students.	DEEWR	114.734	Maintain as a separate, Indigenous-specific program for the foreseeable future. Incorporation into mainstream student assistance arrangements should be considered only when major improvements have been made in current rates of Indigenous participation in education.	A separate, Indigenous-specific program is justified in recognition of the particular barriers to educational participation still faced by many Indigenous students.	The ABSTUDY program should be evaluated periodically to assess its ongoing effectiveness in meeting the educational support needs of Indigenous students. The last comprehensive evaluation was conducted in 1994 (report released in 1997).
Indigenous Youth Leadership Program (IYLP)	To provide scholarships for Indigenous students, generally from remote areas, to attend high performing schools (government and non-government, day and boarding) and universities.	DEEWR	14.134	Retain, but target funding in a manner that better complements the support provided under the <i>Australian Indigenous Education Foundation</i> program.		A more strategic approach is needed to the operation of Commonwealth-funded scholarship programs for Indigenous students.
Australian Indigenous Education Foundation (AIEF) - Indigenous Scholarships	To provide scholarships for Indigenous boarding students to assist them to complete Year 12. The Commonwealth is providing \$20 million to the AIEF over 4 years, which the AIEF will leverage to raise matching external funds. Under current arrangements the AIEF is responsible for selecting its partner schools, which in turn are responsible for end-to-end 'ownership' of managing the scholarships.	DEEWR	12.500	Retain (noting the long-term contract entered into with the AIEF, and the expectation of a substantial level of corporate and philanthropic support).		Funding contract with the AIEF runs for 20 years (i.e., to 2028).

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<p>New Boarding Facilities in the Northern Territory</p>	<p>To provide new boarding facilities to assist young Indigenous people from remote NT communities (Wadeye, Warlpiri Triangle and Maningrida) to access secondary education.</p>	<p>DEEWR</p>	<p>5.051</p>	<p>Retain (but see comments at right).</p>	<p>Program meets an identified need in the three communities. See also comments at right.</p>	<p>A more coherent national framework is needed for the support of Indigenous student mobility and relocation assistance (including funding for boarding facilities and hostels). Where Commonwealth capital funding is provided, there should be a clear plan as to how the facility will be managed and funded on an ongoing basis. Commonwealth funding for these purposes should not absolve mainstream providers from meeting their own obligations to their Indigenous students.</p>
<p>Indigenous Boarding Hostels Partnerships (IBHP)</p>	<p>To provide boarding hostels for Indigenous secondary students from remote areas so that they can access educational and other opportunities unavailable in their home communities. Hostels have been constructed at Wiltja in South Australia and Weipa in north Queensland.</p>	<p>FaHCSIA</p>	<p>25.748</p>	<p>Cease program in June 2010 as planned.</p>	<p>Terminating program.</p>	<p>Arrangements are yet to be finalised for the ongoing support and management of hostel facilities constructed under this program.</p>
<p>Indigenous Education Consultative Bodies (IECBs)</p>	<p>To support the operation of State-based Indigenous Education Consultative Bodies, which serve as a conduit for consultation with Indigenous parents and communities and an independent source of advice to Government on Indigenous education and training.</p>	<p>DEEWR</p>	<p>2.190</p>	<p>Retain.</p>	<p>Consistent with the <i>Engagement</i> principle. IECBs provide an independent source of advice to government on Indigenous education needs and priorities.</p>	<p>Performance of the IECBs is reported to be highly variable across the jurisdictions. Operational effectiveness should be kept under review.</p>

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – YOUTH AT RISK

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Substance use - Combating Petrol Sniffing	To reduce the incidence and impact of petrol sniffing by rollout of subsidised Opal fuel.	DoHA	11.497	Consolidate within single OATSIH Substance Use Program (see Health) Commonwealth (DoHA) to retain responsibility for Opal rollout	Whole of government approach to Petrol Sniffing Strategy to continue. Rollout of Opal, managed by DoHA, evaluated as highly effective. Commonwealth to retain due to cross jurisdictional issues, and need for consistent approach to industry engagement, distribution and storage issues. Consolidate and align with other Indigenous substance use and petrol sniffing initiatives for flexibility and capacity to respond to existing/emerging issues.	Effective from 2010-11 onwards, as funding agreements are established/renewed.
Petrol Sniffing Diversion Project/Youth Wellbeing	To reduce the prevalence of inhalant substance abuse by providing alternate options and skill building	DoHA	0.986	Youth diversion elements to be transferred/consolidated within DEEWR, with sustainable funding arrangements Treatment/rehabilitation functions to remain within DoHA and be consolidated within OATSIH Substance Use program	Small disparate youth diversion programs in multiple agencies having little impact. Need for consolidation, flexibility and sustainability. Substance use treatment and rehabilitation elements need integration with like programs within OATSIH.	Constraint: Changes to existing contractual arrangements will need to be managed so to not create additional administrative for providers
Indigenous Justice Program [formerly known as Prevention, Diversion, Rehabilitation and Restorative Justice Programme]	Funds for prevention diversion services, rehabilitation, and prisoner support, restorative justice initiatives, community patrols, and alternative youth activities, as part of Petrol Sniffing Strategy	AGD	40.2 (5.877 youth sub-program)	Youth diversion sub-program to be transferred/consolidated within DEEWR, with sustainable funding arrangements Other sub-programs – night patrols and justice related initiatives – retain in AGD.	Small disparate youth programs in multiple agencies having little impact. Need for consolidation, flexibility and sustainability Night patrols and justice related activities need to align with justice systems.	Constraint: Acknowledging that 10-11 PDRR funding round already advertised, sustainable funding arrangements effective from 2011-12 Funding currently confined to designated Petrol Sniffing Strategy zones Changes to existing contractual arrangements will need to be managed so to not create additional administration for providers

CABINET IN CONFIDENCE

Reducing Substance Use (Petrol sniffing)	Diversion projects for youth affected by substance use and disengaged from education/employment, as part of Petrol Sniffing Strategy	DEEWR	0.865	Youth diversion programs to be consolidated within DEEWR, with sustainable funding arrangements	Small disparate programs in multiple agencies having little impact. Need for consolidation, flexibility and sustainability	Constraint: Funding currently confined to designated Petrol Sniffing Strategy zones Changes to existing contractual arrangements will need to be managed so to not create additional administration for providers
CTG NT - Youth in Communities	Funding of youth workers in NT in priority communities of the NT	FaHCSIA	9.3	Transfer to DEEWR, to align and consolidate with other youth diversion programs. As this program is part of the CTG in NT NPA, liaison with NT Government on this program should also transfer to DEEWR.	Small disparate programs in multiple agencies having little impact. Need for consolidation, flexibility and sustainability	Constraint: This funding is COPE as part of the Close the Gap in the NT NPA. Available advice is funds already committed to 2011-12, then terminating. Changes to existing contractual arrangements will need to be managed so to not create additional administration for providers
Reconnect	Early intervention for young homeless people or those at risk of homelessness, with 11 Indigenous services catering for 10 – 18 yr olds	FaHCSIA	2.549	Retain, as part of mainstream program. Consider bringing forward age range to 8 yrs.	Develop linkages with local Youth Connections services, as part of NPA on Year 12 Attainment and Transitions	None known

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – HEALTH

OATSIH Primary Health Care

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Primary Health Care Services	To improve access to effective primary health care services	DoHA	375.818	Consolidate into single Primary Health Care program that flexibly supports local primary health care priorities. Long term: relevant/distinct funding for substance use to be separately considered for transfer to States and Territories (see below)	Core Indigenous primary health care funding. Adoption of health outcomes reporting framework, based on Healthy for Life key performance indicators	Effective from 2010-11 onwards, as funding agreements are renewed
Healthy for Life	To improve child and maternal health and the quality of chronic disease care, as well as men's health	DoHA	38.2	Consolidate into single Primary Health Care program that flexibly supports local primary health care priorities. Funding methodologies should reflect additional commitments from organisations i.e. use of CQI tools/approaches	This program covers child/maternal health, chronic disease and men's health.	Effective from 2010-11 onwards, as funding agreements are renewed
Improving eye and ear health services for Indigenous Australians for better education and employment outcomes	To improve eye and ear health and contribute to improved education and employment outcomes	DoHA	4.457	Consolidate into single Primary Health Care program that flexibility supports local primary health care priorities, esp. re eye/ear health.	This is new initiative from 09-10. It is a targeted intervention designed to tackle a common but serious health concern in Indigenous communities.	Effective from 2010-11 onwards, as funding agreements are established/renewed.

OATSIH Chronic Disease

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Chronic Disease package	To close the gap in life expectancy through prevention, improved management and follow up care for people at risk of/with chronic illness	DoHA	63.854	Consolidate into core chronic disease program to deliver on COAG Close the Gap commitments and provide greater flexibility	Need to secure greater alignment of existing and new chronic disease initiatives	This package is the COPE element of the COAG Indigenous Health NPA Effective from 2010-11 onwards, as funding agreements are established/renewed

OATSIH Close the Gap in the NT

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Closing the Gap - Northern Territory	Expand and reform primary health care in NT, as well as complete child health checks and follow up services	DoHA	55.633	<p>Consolidate different measures into 2 core elements:</p> <ul style="list-style-type: none"> • primary health care and follow up as COPE within a single program to deliver on NT Close the Gap objectives and health service regionalisation agenda; • ENT/Dental follow up, and mobile outreach services as part of Close the Gap in the NT NPA <p>Funding for ENT follow up expected to terminate in June 2010. Funding for Dental follow up and mobile outreach to terminate at conclusion of NT CTG NPA in June 2012. Endorse termination, as scheduled.</p>	Different funding measures inhibit flexible responses to future policy and service objectives. Retaining distinct funding sources and program arrangements is artificial ENT/Dental follow up and mobile outreach services are within NT Government's responsibilities; funding should cease when NPA expires.	Effective from 2010-11 onwards, as funding agreements are established/renewed. Funding for ENT/Dental and mobile outreach services already part of Close the Gap in the NT NPA. Concerns expressed about NT Government's capacity to assume program and funding responsibilities for ENT/dental and mobile outreach services.

OATSIH Child/Maternal Health (see Early Childhood Development)

Released under the
Official Information Act

OATSIH Substance Use (see also Youth at Risk)

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Capacity Building in Indigenous Communities	To improve the capacity of Indigenous communities to address problems with alcohol and drug abuse	DoHA	1.027	Interim: consolidate within other NIDS programs. Medium term: (subject to outcomes from NHHRC) transfer responsibilities to States and Territories, in line with current COAG arrangements. Long term: States and Territories to integrate within their own substance use programs and service networks.	Various Indigenous substance use initiatives administered by National Drug Strategy Branch within DoHA, resulting in fragmentation and reduced coordination of activities. Greater alignment, efficiency and flexibility to respond to current/emerging issues is desirable. (Subject to outcomes from NHHRC) Transfer program responsibilities, along with mainstream responsibilities, to States and Territories to align with National Health Care Agreement and COAG Indigenous Health NPA.	Consolidation within NIDS program effective from 2010-11 onwards, as funding agreements are established/renewed. Constraint (Medium) As Jurisdictional NPA Implementation Plans are already finalised, Commonwealth will need to initiate opportunities for transferring substance use responsibilities to States and Territories under NPA.
Tough on Drugs - Indigenous Communities Initiative	To provide education, resources and workforce development on substance misuse for Indigenous Australians.	DoHA	3.975	Interim: Consolidate within other NIDS programs/ Medium term: (subject to outcomes from NHHRC) transfer responsibilities to States and Territories, in line with current COAG arrangements. Long term: States and Territories to integrate within their own substance use programs and service networks.	Various Indigenous substance use initiatives administered by National Drug Strategy Branch within DoHA, resulting in fragmentation and reduced coordination of activities. Greater alignment, efficiency and flexibility to respond to current/emerging issues is desirable. (Subject to outcomes from NHHRC) Transfer program responsibilities, along with mainstream responsibilities, to States and Territories to align with National Health Care Agreement and COAG Indigenous Health NPA.	Consolidation within NIDS program effective from 10-11 onwards, as funding agreements are established/renewed. Constraint (Medium): As Jurisdictional NPA Implementation Plans are already finalised, Commonwealth will need to initiate opportunities for transferring substance use responsibilities to States and Territories under NPA.

CABINET IN CONFIDENCE

Substance use - COAG Initiatives	Improve access to alcohol and other drug services	DoHA	29.141	<p>Interim: consolidate within OATSIH Substance Use program</p> <p>Medium term: (subject to outcomes from NHHRC) transfer responsibilities to States and Territories, in line with current COAG arrangements.</p> <p>Long term: States and Territories to integrate within their own substance use programs and service networks.</p>	Various Indigenous substance use initiatives administered by OATSIH within DoHA, resulting in fragmentation and reduced coordination of activities. Greater alignment, efficiency and flexibility to respond to current/emerging issues is desirable. (Subject to outcomes from NHHRC) Transfer program responsibilities, along with mainstream responsibilities, to States and Territories to align with National Health Care Agreement and COAG Indigenous Health NPA.	Consolidation within OATSIH effective from 10-11 onwards, as funding agreements are established/renewed. Constraint (medium): As Jurisdictional NPA Implementation Plans are already finalised, Commonwealth will need to initiate opportunities for transferring substance use responsibilities to States and Territories under NPA.
Centre for Excellence in Indigenous tobacco Control (CEITC)	To improve the evidence base for Indigenous tobacco control, including workforce development.	DoHA	0.444	Maintain	CEITC is the main source of evidence to inform policy on Indigenous smoking and has a key role in support the smoking elements of the Indigenous Chronic Disease package.	Not applicable
Indigenous Tobacco Control Initiative	To trial community interventions to reduce smoking rates in Indigenous populations	DoHA	5	Program terminating in June 2012. Endorse termination.	Program now superseded by new \$100m tobacco program within Chronic Disease package.	Existing funding commitments until 2012.

OATSIH Social and Emotional Wellbeing

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Link Up/Bringing them home	Funding link up and counselling services for Indigenous people affected by past removal policies, as response to Bringing Them Home report	DoHA	25.229	Interim: Consolidate into single OATSIH Social and Emotional Wellbeing	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility	Consolidation effective from 2010-11 onwards, as funding agreements are established/renewed.
COAG Mental Health	To support health practitioners to identify and address mental illness in Indigenous populations	DoHA	3.618	Interim: Consolidate into single OATSIH Social and Emotional Wellbeing	Retaining distinct funding sources and program arrangements is artificial and reduces flexibility	Consolidation effective from 2010-11 onwards, as funding agreements are established/renewed.

Mainstream Access/Financing

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
MBS item for Aboriginal Health Worker immunisation and wound management	MBS funding for specific services from Aboriginal Health Workers	DoHA	Not applicable – uncapped appropriation	Maintain	Mainstream financing tool, specifically designed to address Indigenous health needs and access to mainstream programs.	Not applicable
MBS item for indigenous adult health check for Aboriginal and Torres Strait Islander people aged 15 to 54 years	MBS funding for regular health checks for Indigenous adults	DoHA	Not applicable – uncapped appropriation	Maintain	Mainstream financing tool, specifically designed to address Indigenous health needs and access to mainstream programs.	Not applicable
MBS item for indigenous child health check for Aboriginal and Torres Strait Islander children 0-14 years	MBS funding for regular health checks for Indigenous children	DoHA	Not applicable – uncapped appropriation	Maintain	Mainstream financing tool, specifically designed to address Indigenous health needs and access to mainstream programs.	Not applicable
MBS Item health check follow up	MBS funding for follow up services arising from health checks	DoHA	Not applicable – uncapped appropriation	Maintain	Mainstream financing tool, specifically designed to address Indigenous health needs and access to mainstream programs.	Not applicable

CABINET IN CONFIDENCE

Section 19(2) exemptions for Aboriginal Medical Services under the Health Insurance Act	Increase access to MBS funded primary health care.	DoHA	35.260	Maintain	Mainstream financing tool, specifically designed to address Indigenous health needs and access to mainstream programs.	Not applicable
s100 Remote Aboriginal Health Service Program	Access to PBS medicines for clients of remote AMSs	DoHA	38.700	Maintain	Mainstream financing tool, specifically designed to address Indigenous health needs and access to pharmaceuticals	Not applicable
s100 Pharmacy Support Allowance	Improved the quality use of medicines as part of S100 arrangements	DoHA	2.264	Maintain, with consideration to retaining if critical to functional effectiveness of S100 arrangements	Mainstream financing tool, specifically designed to address Indigenous health needs and access to pharmaceuticals. Terminating in 2009-10 as part of 4 th Community Pharmacy Agreement. Possible consideration in 5 th Community Pharmacy Agreement	Not applicable
Quality Assurance for Aboriginal Medical Services (QAAMS) Program	Improve management of diabetes for Indigenous Australians, through point-of-care pathology testing	DoHA	0.874	Maintain and retain	Mainstream financing and quality assurance tool, specifically designed to address Indigenous health needs and access to mainstream pharmacy programs. Positive, independent evaluation in 2008. Terminating in 2009-10 as 4 th Community Pharmacy Agreement expires. Possible consideration in 5 th Community Pharmacy Agreement	Not applicable
Quality use of medicines maximised for Aboriginal and Torres Strait Islander Peoples (QUMax)	Improve access to PBS medicines for clients of urban/regional AMSs	DoHA	2.749	Maintain and retain	Pilot as part of 4 th Community Pharmacy Agreement. Mainstream health financing tool, specifically designed to address Indigenous needs and access to mainstream pharmacy programs. Currently being independently evaluated. Terminating in 2009-10 to be replaced by national program. Possible consideration in 5 th Community Pharmacy Agreement	Not applicable

CABINET IN CONFIDENCE

Subsiding PBS for Indigenous Australians	Administration of QUMax (above)	Medicare Australia (DHS)	Nil	Maintain	Administration of pilot QUMax program. Currently being independently evaluated. Terminating in 2009-10 to be replaced by national program.	Not applicable
Medicare Indigenous Access Unit and Indigenous Liaison Officers	Improve access to Medicare and registration of Indigenous status	Medicare Australia (DHS)	3.700	Maintain	Ongoing need for improved Medicare registration/access for Indigenous Australians	Not applicable
Practice Incentive Payment (PIP) Indigenous Health Incentive	Administration of new Indigenous Health PIP	Medicare Australia (DHS)	2.500	Maintain	Part of the supporting infrastructure and administration for new Indigenous PIP, as part of Indigenous Chronic Disease Package. Expected to commence from May 2010.	Not applicable

Workforce

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Health Training Posts	Training for GP registrars in Indigenous health	DoHA	9.000	Maintain	Workforce program designed to address specific Indigenous health professional needs	Not applicable
Aboriginal Health Training	GP training in Indigenous health	DoHA	0.750	Maintain	Workforce program designed to address specific Indigenous health professional needs	Not applicable
National Indigenous Health Workforce Training (including Puggy Hunter Memorial Scholarship Scheme)	Increase Indigenous Australians in health workforce (esp. scholarships) and health professional training in Indigenous health	DoHA	15.056	Maintain	Workforce program designed to address specific Indigenous health professional needs	Not applicable
Aboriginal and Torres Strait Islander Pharmacy Scholarship Scheme	Scholarships for Indigenous Australians to train in pharmacy-related fields	DoHA	0.224	Maintain and retain	Workforce program designed to address specific Indigenous health professional needs. Terminating as part of 4 th Community Pharmacy Agreement. Possible consideration in 5 th Community Pharmacy Agreement	Not applicable

CABINET IN CONFIDENCE

Aboriginal and Torres Strait Islander Pharmacy Assistant Traineeship Scheme (ATSIPATS) – Allowance	Increase Indigenous pharmacy assistants in rural/remote locations	DoHA	0.240	Maintain and retain	Workforce program designed to address specific Indigenous health professional needs Terminating as part of 4 th Community Pharmacy Agreement. Possible consideration in 5 th Community Pharmacy Agreement	Not applicable
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Data/Research

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Health and welfare of Aboriginal and Torres Strait Islanders	To support statistical analysis on Indigenous health and wellbeing	AIHW (within DoHA)	Not applicable – internal AIHW allocation	Maintain	This is an internal allocation for production of biennial AIHW publication 'Expenditures on health for Aboriginal and Torres Strait Islander peoples'	Not applicable
NHMRC Indigenous Research Grants	To inform the evidence base on Indigenous health and support Indigenous health researchers	NHMRC (within DoHA)	31.414	Maintain	Core Indigenous health research program	Not applicable

Specific Issues/other

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Australian Hearing Special Programme for Indigenous Australians (community services obligation)	To improve the hearing of Indigenous people with permanent hearing loss	DoHA	4.313	Maintain	Recommendations from OEA Evaluation under consideration	Not applicable
National Aboriginal and Torres Strait Islander Flexible Aged Care Program	To provide quality aged care options for older Indigenous people.	DoHA	23.500	Maintain	Initiative designed to address and pilot new models of aged care services for older Indigenous Australians. Recommendations from OEA Evaluation under consideration	Not applicable

CABINET IN CONFIDENCE

Mobile Dental Services Pilot	To pilot models of mobile dental service deliver for Indigenous people in rural/regional communities	DoHA	0.960	Maintain	This is new initiative from 09-10. It is a targeted intervention designed to tackle a common but serious dental health concern in Indigenous communities.	Not applicable
TSRA Healthy Communities	To improve health outcomes for resident Torres Strait Islander people	FaHCSIA	17.949	Maintain	Health funding to TSRA for health promotion, sport and other initiatives. Complements other funding to TSRA.	Not applicable

Sport and Recreation

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Sport and Recreation Program	Increase active participation of Indigenous Australians in sport and physical recreation activities	DOHA	12.700	Consolidate ASC funding under ISRP, align with Close the Gap targets and RSD Strategy, introduce sustainable program funding	Lack of coordination, duplication and overlap with ASC's Indigenous funding	Transfers and consolidation and alignment with RSD Strategy effective from 10-11. Acknowledging that 10-11 ISRP funding round already advertised, sustainable funding arrangements effective from 11-12
Indigenous Sports Program	Increase Indigenous participation in sport and support talented Indigenous sportspeople	ASC	4.000	Transfer and consolidate under DoHA's ISRP. Mainstream elite program to cater for talented Indigenous sportspeople	Lack of coordination, duplication and overlap with DoHA's program. Needs better alignment with Close the Gap targets.	Effective from 10-11

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – ECONOMIC PARTICIPATION

Transition for the Young

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Youth Mobility Program (IYMP)	provides greater access to quality education and training options for Indigenous people through mobility	DEEWR	11.577	Maintain - review the adequacy of current mobility assistance programs	In view of the importance of mobility programs to improve Indigenous peoples' access to a broad range of services	New mainstream transitions programs introduced from 1 January 2010.
AHL Indigenous Youth Mobility Program	Supports Indigenous young people who wish to move away from home to gain the qualifications they need to have a greater chance of obtaining sustainable employment in their home community or elsewhere	FaHCSIA (AHL)	5.365	Maintain - review the adequacy of current mobility assistance programs	In view of the importance of mobility programs to improve Indigenous peoples' access to a broad range of services	Consideration needs to be given to AHL's capacity to provide increased level of services.

Employment Preparation

Vocational Education and Training

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Vocational education program element, SRA – VET non government sub program	SRA aims to assist providers to accelerate educational outcomes for Indigenous Australians beyond those which could reasonably be expected from mainstream and own-source funding alone.	DEEWR	4.310	Transfer to States and Territories with funding	Recognises the State and Territory responsibility for publicly funded training. Removes the perception that the Australian Government has responsibility for funding non-Govt VET providers	DEEWR consider that any transfer may not warrant a National Partnership Agreement. Potentially provide funding through Bilateral agreements. However the provision of funding through funding agreements would not remove the perception of responsibility by the States and Territories from the AG

CABINET IN CONFIDENCE

Transitional Program Assistance (TPA) National Indigenous English Language & Literacy Strategy (NIELNS) – Bachelor Institute of Indigenous Tertiary Education (BIITE) VET (government)	TPA-NIELNS funding for Bachelor Institute is to assist it in accelerating the educational outcomes of its Indigenous VET students including improving attendance, progression and completion rates and the articulation of VET students into higher level qualifications.	DEEWR	1.097	Explore options for transferring funding to the Bachelor Institute of Indigenous Tertiary Education (BIITE) to the <i>Higher Education Support Act 2003</i>	BIITE is recognised as a dual sector tertiary education provider	Current funding arrangements to end June 2011. BIITE currently in administration suggesting that support needs to continue in the short to medium term.
Indigenous Tutorial Assistance Scheme (ITAS) – VET (non government)	To improve the educational outcomes of Indigenous students in VET courses to the same levels as those for non-Indigenous Australians	DEEWR	0.785	Transfer to States and Territories with funding	Recognises the State and Territory responsibility for publicly funded training. Removes the perception that the Australian Government has responsibility for funding non-Govt VET providers	DEEWR consider that any transfer may not warrant a National Partnership Agreement. Potentially provide funding through Bilateral agreements. However the provision of funding through funding agreements would not remove the perception of responsibility by the States and Territories from the AG
Training Initiatives for Indigenous Adults in Regional and Remote Communities (TIFIARRC)	To identify and support the implementation of practical, flexible and integrated projects that will ensure Indigenous Australians in regional and remote areas can take advantage of vocational education and training opportunities	DEEWR	6.024	Transfer to States and Territories with funding	Recognises the State and Territory responsibility for publicly funded training. Removes the perception that the Australian Government has responsibility for funding non-Govt VET providers	DEEWR consider that any transfer may not warrant a National Partnership Agreement. Potentially provide funding through Bilateral agreements. However the provision of funding through funding agreements would not remove the perception of responsibility by the States and Territories from the AG
Away from Base for ‘mixed-mode’ delivery – Section 13 IETA³²⁸	The primary objective of AFB is to increase access and participation by Indigenous students from rural and remote areas in tertiary study	DEEWR	26.294	Maintain subject to outcome of proposed IHEAC review	As a result of the Bradley Review, IHEAC will review the effectiveness of programs including in light of recent Higher Education reforms	Included in Indigenous Education (Targeted Assistance) Act 2000. Quadrennial funding 2009-2012

³²⁸ Away from Base for ‘mixed-mode’ delivery – Section 13 IETA operates across Vocational Education and Training and Higher Education.

CABINET IN CONFIDENCE

Higher Education

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Staff Scholarships	Program is to develop Indigenous leadership in the higher education sector through the provision of opportunities for professional development	DEEWR	0.175	Maintain subject to outcome of proposed IHEAC review	As a result of the Bradley Review, IHEAC will review the effectiveness of programs including in light of recent Higher Education reforms	Included in Indigenous Education (Targeted Assistance) Act 2000. Quadrennial funding 2009-2012
Indigenous Higher Education Advisory Council	Council will provide policy advice to the Australian Government on higher education, research and research training issues in relation to Indigenous higher education students and staff	DEEWR	0.296	Maintain	New IHEAC recently appointed	Included in Indigenous Education (Targeted Assistance) Act 2000. Quadrennial funding 2009-2012
Indigenous Support Programme (ISP)	Activities supported under ISP include the establishment of Indigenous Education Units, assistance with study skills, personal counselling and cultural awareness activities	DEEWR	35.140	Maintain subject to outcome of proposed IHEAC review	As a result of the Bradley Review, IHEAC will review the effectiveness of programs including in light of recent Higher Education reforms	Included in Indigenous Education (Targeted Assistance) Act 2000. Quadrennial funding 2009-2012
Indigenous Access Scholarships	Scholarships assist Indigenous students to undertake an eligible enabling course, undergraduate course or graduate diploma (or equivalent post graduate course of study) in an area of National Priority required for initial registration to practice in the chosen National Priority field	DEEWR	4.253	Maintain subject to outcome of proposed IHEAC review	As a result of the Bradley Review, IHEAC will review the effectiveness of programs including in light of recent Higher Education reforms	Included in Indigenous Education (Targeted Assistance) Act 2000. Quadrennial funding 2009-2012
ITAS - Tertiary Tuition	Provides funding for supplementary tuition to Indigenous students studying university award level courses and some specified Australian Qualifications Framework accredited vocational education training courses at ITAS funded institutions	DEEWR	7.908	Maintain subject to outcome of proposed IHEAC review	As a result of the Bradley Review, IHEAC will review the effectiveness of programs including in light of recent Higher Education reforms	Included in Indigenous Education (Targeted Assistance) Act 2000. Quadrennial funding 2009-2012
ABSTUDY Tertiary	Encourage Aboriginal and Torres Strait Islander people to take full advantage of the educational opportunities available; promote equity of educational opportunity; improve educational outcomes	DEEWR	50.494	The proposed IHEAC review examine the interaction of Indigenous access and support programs with operations of ABSTUDY Tertiary.	As a result of the Bradley Review, IHEAC will review the effectiveness of programs including in light of recent Higher Education reforms. Although ABSTUDY will not be scope for the review, the Review will recommend the interaction between these programs and ABSTUDY.	Recommendation 30 of the Bradley review recommends the regular review of measures to improve Indigenous higher education access and outcomes

CABINET IN CONFIDENCE

Labour Market Programs - Work Readiness

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Employment Program element, Indigenous Cadetship Support sub program	Increase Indigenous Australians' employment outcomes and participation in economic activities	DEEWR	7.700	Maintain and review staffing and contracting monitoring arrangements in remote areas.	Introduced from 1 July 2009	DEEWR in consultation with DHS and FAHCSIA, review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations
Indigenous Employment Program element, Indigenous Wage Subsidy sub program	Increase Indigenous Australians' employment outcomes and participation in economic activities	DEEWR	7.000	Maintain and review staffing and contracting monitoring arrangements in remote areas.	Introduced from 1 July 2009	DEEWR in consultation with DHS and FAHCSIA, review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations
Indigenous Employment Program element, CDEP Work Experience Subsidy sub program	Increase Indigenous Australians' employment outcomes and participation in economic activities	DEEWR	2.050	Consolidate responsibility for CDEP within DEEWR, except for the related community support service which remains with FAHCSIA DEEWR in consultation with DHS and FAHCSIA, review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations	Better integration and delivery of employment preparation programs	Both elements Work Readiness and Community Development projects contain Wage subsidy components. Will be administratively cumbersome for the Community Development providers to separate out wage subsidy components. Will require grandfathering of wage subsidy elements
Indigenous Employment Program element Business & Econ. Dev., Indigenous Capital Assistance Scheme sub program	Increase Indigenous Australians' employment outcomes and participation in economic activities	DEEWR	26.300	Transfer Indigenous Capital Assistance Scheme to IBA	DEEWR and IBA currently provide Indigenous business support services which can lead to an actual or perceived duplication of activity and inefficiency	Will require MOU between agencies to ensure smooth referral processes for clients
Indigenous Employment Program element Employer, Industry & Workplace Strategies - Including Voluntary Mobility Assistance, Aspiration Building & Language, Literacy & Numeracy	Increase Indigenous Australians' employment outcomes and participation in economic activities	DEEWR	95.706	Maintain and review staffing and contracting monitoring arrangements in remote areas.	Introduced from 1 July 2009	DEEWR in consultation with DHS and FAHCSIA, review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations

CABINET IN CONFIDENCE

Workplace English Language & Literacy program element, Language Literacy & Numeracy assistance for IEP participants sub program	Provide for the increase in demand for LLN training resulting from the reformed IEP	DEEWR	4.387	Maintain and review staffing and contracting monitoring arrangements in remote areas.	Introduced from 1 July 2009	DEEWR in consultation with DHS and FAHCSIA, review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations
Language Literacy & Numeracy Program (NTER)	Improve clients' language, literacy and/or numeracy to enable them to participate more effectively in training or in the labour force	DEEWR	0.981	Conclude in June 2012 (current NTER termination date)	Additional funding provided to supplement mainstream program as a result of NTER	Component of NTER DEEWR in consultation with DHS and FAHCSIA, review staffing and contract supervision in remote areas to ensure effective delivery of job search and training services in those locations

Employment

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Disability Employment	To provide supported employment and improve access to information, advocacy and services for people with disability so they can develop their capabilities and actively participate in community and economic life	FaHCSIA	0.054	Maintain		
Community Development Employment Projects	To provide participation opportunities and community development projects for Indigenous people that develop skills and improve employability of participants to assist them to move into employment or accredited training and to strengthen Indigenous community capacity	FaHCSIA	405.951	Consolidate responsibility for CDEP within DEEWR, except for the related community support service which remains with FAHCSIA	Better integration and delivery of employment preparation programs	Both elements Work Readiness and Community Development projects contain Wage subsidy components. Will be administratively cumbersome for the Community Development providers to separate out wage subsidy components. Will require grandfathering of wage subsidy elements
Indigenous Sea Rangers [previously listed as Illegal Foreign Fishing]	Provide employment opportunities	AGD (Customs)	0.180	Maintain	Small Customs fee for service program whose primary purpose is discharge of Customs responsibilities	

CABINET IN CONFIDENCE

Working on Country (WOC) element of the C4oC initiative	Support Indigenous aspirations; Protect and manage Australia's environmental and heritage values by providing paid employment; and Provide nationally accredited training and career pathways	DEWHA	12.000 [later estimate of 18.823 not used in tabulations]	Combine into a single Ranger program	Funding has been provided as part of many measures for this program. Combining elements will lead to ease of program management, monitoring and reporting	Currently part funded through Natural Heritage Trust. Transition to new direct funding must have regard to Natural Heritage Trust of Australia Act 1997
Working on Country NT	Support Indigenous aspirations; Protect and manage Australia's environmental and heritage values by providing paid employment; and Provide nationally accredited training and career pathways	DEWHA	11.788	Combine into a single Ranger program	Funding has been provided as part of many measures for this program. Combining elements will lead to ease of program management, monitoring and reporting	
Working on Country Regional	Support Indigenous aspirations; Protect and manage Australia's environmental and heritage values by providing paid employment; and Provide nationally accredited training and career pathways	DEWHA	9.909	Combine into a single Ranger program	Funding has been provided as part of many measures for this program. Combining elements will lead to ease of program management, monitoring and reporting	
Working on Country Flexible	Support Indigenous aspirations; Protect and manage Australia's environmental and heritage values by providing paid employment; and Provide nationally accredited training and career pathways	DEWHA	3.777	Combine into a single Ranger program	Funding has been provided as part of many measures for this program. Combining elements will lead to ease of program management, monitoring and reporting	
Working on Country trainees	Support Indigenous aspirations; Protect and manage Australia's environmental and heritage values by providing paid employment; and Provide nationally accredited training and career pathways	DEWHA	1.750 [later estimate of 1.224 not used in tabulations]	Combine into a single Ranger program	Funding has been provided as part of many measures for this program. Combining elements will lead to ease of program management, monitoring and reporting	
Aboriginal and Torres Strait Islander Pathways to Employment (Pathways) Programme	Increase Indigenous representation in the APS	DFAT (Austrade)	0.146	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Aboriginal and Torres Strait Islander Pathways to Employment (Pathways) Programme: Foreign Affairs & Trade - Indigenous Cadetship Program	Increase Indigenous representation in the APS	DFAT	0.463	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.

CABINET IN CONFIDENCE

Export Finance and Insurance Corporation		DFAT	0.024		Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
National Indigenous Cadetship Program	Increase Indigenous representation in the APS	DIISR	0.095	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Recruitment & retention of Indigenous employees across the Australian Government	Increase Indigenous representation in the APS	PM&C (APSC)	4.000	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Indigenous Employment and Capability Strategy 2007 – 2010	Increase Indigenous representation in the APS	DEWHA	0.120	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Engage and Train Torres Strait Islanders as Marine Crew to Serve in the Torres Strait	Recruit Torres Strait Islanders into trainee positions	AGD (Customs)	0.275	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Indigenous Cadetship Support (ICS) [was 'Nat. Ind. Cadetship Prog.]	To improve the professional employment prospects of Indigenous Australians	AGD (Customs)	0.317	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Recruitment & Retention ('Indigenous Affairs)	To improve the professional employment prospects of Indigenous Australians	AGD (AFP)	0.343	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Indigenous Entry Level Recruitment Program	to increase the numbers of Indigenous employees in the APS by assisting agencies with recruitment to entry level positions	AGD (ITSA)	0	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Australian Defence Force Indigenous Employment Strategy	increase the number of Indigenous people serving in ADF.	Defence	3.697	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.

CABINET IN CONFIDENCE

Defence Indigenous Development Program	provides young Indigenous adults with the life skills and confidence to secure continuous employment in the ADF	Defence	3.308	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
Indigenous employment and development	Increase Indigenous representation in the APS	Treasury (ATO)	2.444	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.
AusAID	Sharing experience in poverty alleviation with Indigenous organisations and Australian agencies working in the field of Indigenous development. Increase Indigenous representation in the APS	DFAT (AusAid)	0.110	Departmental Secretaries agree a regular public reporting framework	Target of 2.7 per cent will be difficult to achieve. Will require the focus of Agency Heads	Agency Indigenous employment strategies should also include targets that are realistic and achievable for the portfolio responsibility and structure.

Industry Engagement, Business development and advisory services (for business entities and communities)

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
IBA Enterprises	Assist Indigenous Australians to establish, acquire and grow viable businesses	FaHCSIA (IBA)	27.227	DEEWR Indigenous Capital Assistance Scheme to be transferred to this element	DEEWR and IBA currently provide Indigenous business support services which can lead to an actual or perceived duplication of activity and inefficiency	Will require MOU between agencies to ensure smooth referral processes for clients
Equity and Investment	To provide wealth creation opportunities and other economic and social benefits	FaHCSIA (IBA)	19.511	An equity injection be provided to IBA to improve its capacity to operate as an agent for Indigenous business development	IBA provide equity to establish business with the intention that the client will gain experience and equity in the business over time allowing access to mainstream commercial institutions.	
TSRA Economic Development	Improved wealth of Indigenous people of the region; Sustainable industries owned and operated by local indigenous people. Improved access to capital and other opportunities to finance enterprises and industries	FaHCSIA (TSRA)	36.353	Maintain		

CABINET IN CONFIDENCE

Sustainable Management - Natural resources (Indigenous)-Indigenous Aquaculture Development	Increase the involvement of Indigenous people in aquaculture as per the National Aquaculture Development Strategy for Indigenous Communities in Australia..	DAFF	.137	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
Working in Partnership	Improving relationships between the mining industry and Indigenous communities.	RET	.500	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
Tourism Niche Market Development Indigenous Programme Delivery	Improving business opportunities in Tourism	RET (Tourism Australia)	0.600	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
Financial Management Program	To improve the financial knowledge, skills, capabilities and financial resilience of vulnerable individuals	FaHCSIA	11.554	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
Indigenous Communications Program - Internet and Training	Enhanced social inclusion and community well-being by improved access to information and communication services	DBCDE	.022	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
Indigenous Outreach Program	To identify and address financial services problems facing Indigenous consumers and retail investors and to promote good money management and confidence through financial literacy.	Treasury (ASIC)	0.780	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
Indigenous Education Program	Promotion of improved Indigenous financial literacy so that Indigenous Australians will have better money skills, with resulting social benefits.	Treasury (ASIC)	0.073	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance

CABINET IN CONFIDENCE

Indigenous tax assistance and public education	Provide Indigenous taxpayers with accessible, tailored information and advice	Treasury (ATO)	0.265	FAHCSIA review the adequacy of available resources and services in this area, including the adequacy of access to mainstream small business services	There is currently no up to date Guide to available Resources and Services to assist Indigenous Enterprise Development or similar resource for management of community organisations.	Also need to engage States and Territories and capture commercially available assistance
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Indigenous Assets

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Land Corporation (ILC)	To assist in the acquisition and management of an Indigenous land base	FaHCSIA (ILC)	15.838	No recommendation for change.		Independent statutory authority

Released under FOIA Act

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – HOUSING, HOME OWNERSHIP AND INFRASTRUCTURE

Indigenous Housing

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
National Partnership Agreement on Remote Indigenous Housing	Provides housing for Indigenous people in remote communities	FaHCSIA	618.000	Maintain, noting the steps that have recently been taken to strengthen delivery of the Strategic Indigenous Housing and Infrastructure Program (SIHIP) and the outcomes of the renegotiation of the NPA to strengthen State and Territory performance as well as accountability for NPA outcomes.	Primary COAG program with \$5.48 billion in funding for Indigenous-specific housing agreed for ten years to 2017-18. Includes funding for Strategic Indigenous Housing and Infrastructure Program (SIHIP), which covers Indigenous housing in the Northern Territory.	Note the budgetary pressures arising from the significant costs associated with the provision of infrastructure and housing in remote Indigenous communities.

Housing and Infrastructure National Projects

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Animal Management in Rural & Remote Indigenous Communities Program	Provides services to address public and environmental health issues in remote Indigenous communities related to animals.	FaHCSIA	0.188	In line with the planned transition of the Municipal and Essential Services program from the Commonwealth to the States and Territories from mid-2012, cease funding the Animal Management in Rural and Remote Indigenous Communities program after that date.	As agreed in the COAG National Partnership Agreement on Remote Indigenous Housing, responsibility for municipal and essential services, including animal health and education programs in the Australian community, sits with the States and Territories, and/or local government from mid-2012.	Funding to cease from mid-2012. Need to advise AMRRIC and the States and Territories about the decision to cease funding from mid-2012.

CABINET IN CONFIDENCE

Asbestos Identification and Removal in Remote Indigenous Communities	Work with the Northern Territory Government to complete surveys to identify in NTER communities all asbestos containing material, remove any asbestos containing material which is in poor or damaged condition.	FaHCSIA	15.721	No specific funding after 30 June 2010. No funding has been allocated for the removal of the asbestos from any of the communities where asbestos containing material has been found but the material is considered by experts to be in a stable state.	In principle, this issue can be addressed at the point when it is considered necessary to disturb the asbestos in any future maintenance or refurbishment work, albeit with appropriate work safety standards and the associated costs of that work. This is the standard practice that is required of asbestos management across the Australian community.	Possible budgetary pressures arising from the potentially significant costs associated with the treatment and removal of asbestos located in Indigenous communities.
Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
National Aboriginal Health Strategy (NAHS)	Delivers housing and essential environmental health infrastructure, such as water, sewerage and power to Indigenous communities	FaHCSIA	0.668	2009-10 is the last year this program will be funded. No further funding will be provided for this program.	Funding for 2009-10 is to cover the cost of capital projects that have already been committed and that no new projects will be funded under this program.	The National Partnership Agreement on Remote Indigenous Housing now provides funding for activities that were previously funded by NAHS.
Army Aboriginal Community Assistance Program	In consultation with FaHCSIA, involves the construction by Army of housing, utility and infrastructure services in remote Indigenous communities	FaHCSIA ; Department of Defence	6.000	Maintain	This program has been supported by Army not only because of the benefits to remote Indigenous communities brought about by Army's involvement in providing new housing and infrastructure as well as employment and training opportunities for local inhabitants of these Indigenous communities, but also because it provides Army with an opportunity to test its capability to deliver housing and infrastructure services for overseas exercises.	Not applicable.
Community Housing and Infrastructure Needs Program	Provision of housing and municipal community needs in rural and remote Indigenous communities.	FaHCSIA	23.319	2009-10 is the last year this program will be funded. No further funding will be provided for this program.	Funding for this financial year is to cover the cost of capital projects that have already been committed and that no new projects will be funded under this program	The National Partnership Agreement on Remote Indigenous Housing now provides funding for activities that were previously funded by the Community Housing and Infrastructure Needs Program.

CABINET IN CONFIDENCE

Fixing Houses for Better Health (FHBH)	Funding for Healthabitat to achieve better health outcomes for Indigenous Australians living in rural and remote communities by repairs and maintenance to the housing in which they live.	FaHCSIA	5.500	Cease funding when the current contract between Healthabitat and the Commonwealth Government ceases on 30 June 2011.	Responsibility for Indigenous housing and infrastructure , including related repairs and maintenance, rests with the States and Territories. Significant funding has been provided by the Commonwealth to the States and Territories for housing and infrastructure as part of the National Partnership Agreement on Remote Indigenous Housing.	Funding to cease on 30 June 2011. Need to advise Healthabitat and the States and Territories about the decision to cease funding prior to 30 June 2011.
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CABINET IN CONFIDENCE

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Renewable Remote Power Generation (Bushlight) Program	Installs, repairs and maintains renewable (solar) energy systems in remote Indigenous communities and researches technologies that will support improved infrastructure and housing in remote Indigenous communities	FaHCSIA; DEWHA	6.825 3.600 [later DEWHA estimate of \$1.1m not used in tabulations]	In line with the planned transition of the Municipal and Essential Services program from the Commonwealth to the States and Territories from mid-2012, cease funding the Bushlight programs after that date.	As agreed in the COAG National Partnership Agreement on Remote Indigenous Housing, responsibility for municipal and essential services, including utility and energy infrastructure for Indigenous communities, sits with the States and Territories, and/or local government from mid-2012.	Funding to cease from mid-2012. Need to advise provider of Bushlight program and the States and Territories about the decision to cease funding from mid-2012.
Indigenous Mothers' Accommodation Fund (IMAF)	To provide capital funding for accommodation for Indigenous women from remote communities who need to travel to regional and urban centres to have their babies	FaHCSIA	Nil	Final capital funding of \$1.998 million is to be utilised in 2010-11. No further capital funding is planned under the IMAF.	Contracts in place for the management of the accommodation.	Not applicable.

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Aboriginal Hostels Limited (AHL)

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
<p>Aboriginal Hostels Limited (AHL)</p>	<p>AHL operates a national network of hostels providing affordable and culturally appropriate accommodation for Indigenous people.</p>	<p>AHL</p>	<p>47.780</p>	<p>Enhance the capability of AHL to better contribute to the Closing the Gap objectives by:</p> <ul style="list-style-type: none"> • Requiring the refurbishment/capital funding proposal being considered to be dependent on an AHL senior management restructure, prompt implementation of Ernst & Young review recommendations and an AHL Board endorsed strategic business plan consistent with the Government's Closing the Gap strategies and better suited to the operating and policy environment facing the organisation • Converting AHL from a corporation to a statutory authority under the Commonwealth Authorities & Companies (CAC) Act 1997 • Ceasing coverage of AHL staff under the APS Act but grandfathering the current APS entitlements of existing staff. • AHL's Substance Use funding to be transferred to DoHA and consolidated within the <i>OATSIH Substance Use</i> program. 	<p>With its ability to provide well located, stable, safe and secure accommodation for Indigenous people, AHL has an important role in providing niche accommodation for Indigenous Australians. There is a need to address AHL's structural and management weaknesses and AHL needs to develop a business model and strategic plan which will enable the organisation to better respond to existing and potential business opportunities and to the Government's policy directions as articulated in the Closing the Gap targets.</p> <p>Currently both DoHA and AHL fund Indigenous substance use services. Need for consolidation, alignment and coherent funding and program management arrangements.</p>	<p>In the near term, should funding for refurbishment/capital funding be approved, it should be conditional on the Minister being satisfied that effective reform is under way within the organisation</p> <p>DoHA and AHL should agree options for ongoing management of any existing services directly managed and/or operated by AHL.</p>

Home Ownership

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Home Ownership Program (HOP)	Indigenous Business Australia (IBA) provides Indigenous Australians who are unable to access bank finance to take out home loans where normal land tenure and market conditions apply	IBA	32.281	Endorse steps being taken to combine temporarily the IBA's Home Ownership on Indigenous Land (HOIL) and the Home Ownership Program (HOP) to provide greater flexibility in the use of funds.	The proposal would involve unutilised HOIL capital including accrued interest (approximately \$56 million) being quarantined within a special bank account separate to HOP funds to maintain the integrity of the HOIL program. The extra funds would be used for HOP loans. .	Demand for HOIL loans over the next four years is estimated at around \$10 million per annum. Therefore, HOP revenues can be able to cover this level of commitment
Home Ownership on Indigenous Land Program (HOILP)	Provides funds to Indigenous people on community title land to buy their own home.	FaHCSIA; IBA	0.700 9.474	Endorse steps being taken to combine temporarily the IBA's Home Ownership on Indigenous Land (HOIL) and the Home Ownership Program (HOP) to provide greater flexibility in the use of funds.	The proposal would involve unutilised HOIL capital including accrued interest (approximately \$56 million) being quarantined within a special bank account separate to HOP funds to maintain the integrity of the HOIL program. The extra funds would be used for HOP loans. .	Demand for HOIL loans over the next four years is estimated at around \$10 million per annum. Therefore, HOP revenues can be able to cover this level of commitment

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Municipal and Essential Services and Infrastructure

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Remote Aerodrome Infrastructure Fund (RAIF)	Provides funds for the upgrading of airstrips in remote locations.	DITRDLG	3.000	Endorse the consolidation of the Remote Air Services Subsidy Scheme, the Remote Aerodrome inspection Program, the Remote Aerodrome Safety Program and the Remote Aviation Infrastructure Fund noting that this should lead to better coordination of remote air services and provision of aerodromes and greater flexibility in allocating funding in line with need.	Integrating the programs will help ensure that support for remote air services and aerodromes is better coordinated and will provide greater flexibility in allocating funding, based on the greatest need. .	Note the budgetary pressures arising from the significant costs associated with maintaining safety standards of remote airports.
Regional Aerodrome Inspection (RAI) Program	Provides safety inspection services and technical advice to 59 remote northern Australian Indigenous communities.	DITRDLG	0.400	Endorse the consolidation of the Remote Air Services Subsidy Scheme, the Remote Aerodrome inspection Program, the Remote Aerodrome Safety Program and the Remote Aviation Infrastructure Fund noting that this should lead to better coordination of remote air services and provision of aerodromes and greater flexibility in allocating funding in line with need.	Integrating the programs will help ensure that support for remote air services and aerodromes is better coordinated and will provide greater flexibility in allocating funding, based on the greatest need. .	Note the budgetary pressures arising from the significant costs associated with maintaining safety standards of remote airports.

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CABINET IN CONFIDENCE

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Municipal & Essential Services	Provides funds to Indigenous and community organisations to provide municipal and essential services and associated infrastructure to targeted remote Indigenous communities.	FaHCSIA	52.694	In respect of municipal and essential services and related infrastructure needs in remote communities: <ul style="list-style-type: none"> • note that the legislated provisions of the 'Building Australia Fund' do not allow this Fund to be used in support of remote infrastructure projects • note that FaHCSIA is preparing a Cabinet Submission considering strategies for addressing municipal and essential services and the infrastructure requirements of Indigenous communities (making use of current audit of 72 communities to be completed by March 2010) with a view to transferring responsibility for the Municipal and Essential Services program (with consideration of funding options) from the Commonwealth to the States and Territories through a transition program commencing from mid-2012 • FaHCSIA and DITRDLG should identify opportunities where the Commonwealth can press the States and Territories to more actively utilise local rates and municipal services charges to enable local government councils covering rural and remote Indigenous communities to provide a more adequate level of municipal services 	Responsibility for municipal and essential services and related infrastructure should rest with the States and Territories. Significant funding has been provided by the Commonwealth to the States and Territories for housing and infrastructure as part of the National Partnership Agreement on Remote Indigenous Housing. This National Partnership Agreement recognises that from mid-2012, the States and Territories will be responsible for municipal and essential services and related infrastructure to all Indigenous communities, subject to transition arrangements.	Note the budgetary pressures arising from the significant costs associated with provision of municipal and essential services and related infrastructure in remote Indigenous communities.

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – FAMILIES, COMMUNITIES AND CHILD PROTECTION

Child Protection

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
National Indigenous Violence and Child Abuse Intelligence Task Force	Established to enhance the understanding of the nature and extent of issues surrounding violence and child abuse in Indigenous communities.	Australian Crime Commission; AFP	5.943 0.677	Funding for the current joint ACC, AFP program ceases at 30 June 2010.	It can be argued that crime in Northern Territory communities is not 'organised crime' and, therefore, outside the normal role of the ACC.	Not applicable..
Family Violence Prevention Legal Services Program	Provides culturally sensitive assistance to Indigenous victims and survivors of family violence and sexual assault through the provision of legal assistance, court support, casework and counselling	AGD	20.751	AGD and FaHCSIA should work together to develop an agreed strategy on the effective coordination and allocation of funds for the Family Violence Prevention Legal Services Program (FVPLSP), Family Violence Partnership Program (FVPP) and the Family Violence Regional Activities Program (FVRAP) to maximise the benefits for Indigenous communities dealing with family violence and help advance the Government's safe communities agenda	The Commonwealth's suite of Indigenous specific family violence programs would benefit from a closer working relationship between AGD and FaHCSIA. The Commonwealth needs to be more strategic in using the funds available under the three family violence programs to maximise outcomes and to help advance the COAG Safe Communities strategy.	FaHCSIA and AGD should work together to rationalise any overlaps in the suite of family violence programs delivered by the two departments.
Family Violence Regional Activities Program (FVRAP)	Provides practical and flexible support for grassroots, locally delivered projects that have been identified by Indigenous communities as a local priority to address family violence, sexual assault and child abuse.	FaHCSIA	5.404	AGD and FaHCSIA should work together to develop an agreed strategy on the effective coordination and allocation of funds for the Family Violence Prevention Legal Services Program (FVPLSP), Family Violence Partnership Program (FVPP) and the Family Violence Regional Activities Program (FVRAP) to maximise the benefits for Indigenous communities dealing with family violence and help advance the Government's safe communities agenda	The Commonwealth's suite of Indigenous specific family violence programs would benefit from a closer working relationship between AGD and FaHCSIA. The Commonwealth needs to be more strategic in using the funds available under the three family violence programs to maximise outcomes and to help advance the COAG Safe Communities strategy.	FaHCSIA and AGD should work together to rationalise any overlaps in the suite of family violence programs delivered by the two departments.

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Family Violence Partnership Program (FVPP)	Provides funding , in partnership with States and Territories, for projects and initiatives that aim to develop a sustainable reduction in, and prevention of, Indigenous family violence and child abuse.	FaHCSIA	10.025	AGD and FaHCSIA should work together to develop an agreed strategy on the effective coordination and allocation of funds for the Family Violence Prevention Legal Services Program (FVPLSP), Family Violence Partnership Program (FVPP) and the Family Violence Regional Activities Program (FVRAP) to maximise the benefits for Indigenous communities dealing with family violence and help advance the Government's safe communities agenda	The Commonwealth's suite of Indigenous specific family violence programs would benefit from a closer working relationship between AGD and FaHCSIA. The Commonwealth needs to be more strategic in using the funds available under the three family violence programs to maximise outcomes and to help advance the COAG Safe Communities strategy.	FaHCSIA and AGD should work together to rationalise any overlaps in the suite of family violence programs delivered by the two departments.
Closing the Gap - Northern Territory - Family Support Package	Protect Indigenous children through a coordinated Indigenous family violence management strategy for a number of NT communities.	FaHCSIA	5.068	Maintain	Funding has been extended to 30 June 2012 to reflect the ongoing need for this program as part of the ongoing Northern Territory Emergency Response.	Review when the Northern Territory Emergency Response is being evaluated.

Community Safety

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Northern Territory Emergency Response - Promoting Law & Order	Covers enforcement of alcohol and pornography laws in the Northern Territory and supports increased police presence in remote communities.	AFP	18.543	Maintain	Funding has been extended to 30 June 2012 to reflect the ongoing need for this program as part of the ongoing Northern Territory Emergency Response.	Review when the Northern Territory Emergency Response is being evaluated.
Closing the Gap - Northern Territory - Law & Order	Increasing community safety through community education on alcohol management and maintenance of alcohol and prohibited material signage. Increase knowledge base about alcohol usage.	FaHCSIA	5.068	Maintain	Funding has been extended to 30 June 2012 to reflect the ongoing need for this program as part of the ongoing Northern Territory Emergency Response.	Review when the Northern Territory Emergency Response is being evaluated.
Common-wealth Community Legal Services Program - Indigenous Women's Initiatives	Funds Indigenous Women's Projects which provide legal services specific to the needs of Indigenous women.	AGD	1.189	Maintain	Based on cultural and community safety considerations, it is important to maintain this separate legal service for Indigenous women	Not applicable

CABINET IN CONFIDENCE

Law and Justice Advocacy Development Program (LJAD)	Supports the advancement of the legal rights of Indigenous Australians by funding groups to pursue advocacy, research and community-level education.	AGD	2.641	Consolidate the Law and Justice Advocacy Development program within Aboriginal and Torres Strait Islander Legal Service consistent with arrangements that are due to commence in 2010-11.	Opportunity to broadband legal services for Indigenous Australians to improve flexibility of and achieve efficiencies in service delivery. The Attorney-General's Department supports LJAD being incorporated with the Aboriginal and Torres Strait Islander Legal Aid Service.	Move to new arrangements from 1 July 2010.
Aboriginal and Torres Strait Islander Legal Aid Service (ATSILS)	Provides culturally sensitive legal aid services to Indigenous Australians so that they can fully exercise their legal rights as Australian citizens.	AGD	53.691	Retain the Aboriginal and Torres Strait Islander Legal Service as a separate program from the mainstream legal aid programs	There is a continuing requirement for the provision of high quality and culturally sensitive legal aid services specifically for Indigenous Australians. ATSILS are Commonwealth funded. The States and Territories would be seeking substantial funding for any transfer of responsibility. Mandatory sentencing in some jurisdictions has created a significant demand for ATSILS services.	Not applicable

Income Management

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Income Management	By quarantining a proportion of certain welfare payments, directs a client's income towards priority needs such as food, clothing and rent rather than alcohol, tobacco, pornography, or gambling.	DHS; FaHCSIA; Centrelink	165.903	DHS should ensure that comprehensive and authoritative data are available to inform the planned evaluation of the <i>Income Management</i> program that is required by 2013..	Given the significant costs and complexity of the income management program and the recent Government decision to expand the program within the Northern Territory from July 2010, it is important that the income management program be comprehensively evaluated before any consideration of further expansion in income management coverage.	DHS, Centrelink and FaHCSIA to ensure that appropriate baseline data has been collected and the performance of income management program continues to be monitored to demonstrate that the program outcomes are being delivered cost effectively

CABINET IN CONFIDENCE

<p>Community Stores / Outback Stores Pty Ltd</p>	<p>Through a licensing program, improve the way community stores in remote Indigenous communities operate and improve the quality of food they provide.</p>	<p>DHS; FaHCSIA; Centrelink</p>	<p>7.943</p>	<p>All community stores in remote Indigenous communities should be encouraged to be registered by the Office of the Registrar of Indigenous Corporations (ORIC) under the <i>Corporations and Aboriginal and Torres Strait Islander Act 2006</i>. The business model of <i>Outback Stores</i> should be reviewed to recognise that <i>Outback Stores</i> have two distinct roles: one focusing on commercial operations; and the other on addressing the Government's policy interest in delivery of food security.</p>	<p>The purpose of the Outback Stores organisation, a wholly owned subsidiary of IBA, should be revised to recognise these two distinct roles..</p>	<p>The funding already appropriated and any future funding to Outback Stores should be separated so that the commercial operations are not compromised by the interim need to intervene in those communities with non-viable stores or a lack of food security.</p>
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Family Support

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
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<p>Family Support Program (FSP)</p>	<p>The national Family Support Program will bring together a range of families, parenting and children's services to streamline administrative arrangements and provide more flexibility to better assist families improve outcomes for themselves and their children.</p>	<p>FaHCSIA</p>	<p>**</p>	<p>Endorse FaHCSIA's proposed consolidation of its mainstream <i>Family Support Program</i> (FSP) noting that once fully implemented, it is envisaged that the FSP will provide the following streams of support:</p> <ul style="list-style-type: none"> • family and children's services: • family law: • specialised services (such as illicit drugs programs, humanitarian, remote Australia): • capacity building: and • performance and evaluation. <p>Propose that the current Indigenous-specific services be subsumed within the proposed FSP activity and program support streams while allowing that Indigenous-specific delivery arrangements may be warranted in priority locations</p> <p>[**Note that the two Indigenous specific programs are covered by the Review's recommendations under Early Childhood Development.]</p>	<p>The Review strongly supports moves by FaHCSIA to establish the Family Support Program which will embrace more flexible and coordinated service delivery as a recognised means of better meeting the needs of families and children. It is intended that the new Program's guidelines will have the flexibility to enable service providers to develop delivery strategies (using the suite of services and funds available as part of the Family Support Program) best suited to the families and communities that are working with.</p>	<p>FaHCSIA continue with its plans to consolidate Family Support Programs and that funding for the Indigenous Parenting Support Services program and the Indigenous Children's Program be maintained (consistent with the recommendations in the Early Childhood Development chapter of the Review) pending the commencement of the new Program in July 2011.</p>
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Community Support Service

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Community Support Service	The programs delivers support services for Indigenous Australians to assist them to access government services, work with Indigenous people on community development and to improve their opportunities for employment.	FaHCSIA	14.611	Any further funding for the Community Support Service program after the existing three year service provider contracts cease be subject to a comprehensive evaluation of the program and consideration of alternative delivery models that have the capacity to more directly meet the twin objectives of the program, i.e. 'community development' and 'service access and support'.	It is desirable for the future management of this program to distinguish between the two objectives and keep open the possibility of separating the resourcing of these objectives. Separation of the twin program objectives also provides flexibility, and subject to evaluation of the current arrangements over the next several years, to keep open the possibility of other service delivery models linking individuals with the services they need.	Direct resourcing of the community development objective could in due course be made by other means such as through a program included in or similar to FaHCSIA's National Secretariat program. The funding of Indigenous community organisations for community development purposes could also be considered as part the Government's plans to reform the Municipal and Essential Services program and then negotiating the transfer of this program to the States and Territories.

Torres Strait Regional Authority

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Torres Strait Regional Authority (TSRA)	The Authority aims to strengthen the economic, social and cultural development of the Torres Strait to improve the lifestyle and wellbeing of Torres Strait Islanders and Aboriginal people living in the region.	FaHCSIA	69.276	Continue current Commonwealth and Queensland Government funding arrangements.	Funding is provided to the TSRA by the Commonwealth Government for the 5000 Indigenous inhabitants of the Torres Strait Island region to cover the Authority's activities involving Native Title, economic development, culture, arts and heritage, governance and leadership, the environment, health and community safety. There is general support amongst Commonwealth agencies for the performance of the TSRA and the	FaHCSIA to continue to monitor the TSRA's governance and the TSRA's performance in cost effectively applying the funds provided by the Commonwealth and Queensland governments.

CABINET IN CONFIDENCE

					progress being made by the Authority in improving outcomes for Torres Strait Islander and Aboriginal people living in the region.	
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MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – GOVERNANCE AND LEADERSHIP

Governance and Leadership

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Leadership Program	Based on a leadership model which uses a developmental and strengths-based approach, the program encourages self awareness, belief that change is possible, and provides tools to plan for a better future for the individual, and her or his family and community.	FaHCSIA	6.408	A whole-of-government program should be established to provide training and advisory services to build governance and leadership capabilities. It is proposed that there would be four training and advisory service strands covering: personal leadership development; community governance; Indigenous organisations; and Indigenous businesses. The training and advice to be provided should cater for the diverse needs of the individuals, communities and organisations drawing on these resources; There should be regard for current availability of accredited and non-accredited courses and training providers including those auspiced by State and Territory governments; Training and advisory services provided by a panel of trainers and registered training providers, should be used and combined with in-house provision where warranted;	There is a critical need to improve standards of governance and leadership in many Indigenous communities and organisations. Equally, there is an urgent need to improve the quality, availability and accessibility of government services and programs directed to this purpose. Remote Service Delivery Local Implementation Plans should provide useful information on governance and leadership training needs in the priority communities Advice should be sought from the National Congress of Australia's First Peoples, once established, on strategies for designing and delivering training and advisory services to build the governance and leadership capabilities of Indigenous individuals and organisations.	The program should be managed by FaHCSIA in partnership with DEEWR and DoHA. There should also be involvement of the States and Territories who have a significant role in this area (noting that most have already established partnerships for corporate governance training with ORIC). Subsume FaHCSIA's <i>Indigenous Leadership Program</i> and ORIC's <i>Capacity Development Program</i> (governance training component) with ongoing resourcing of those program elements reflecting overall program priorities. The program should be resourced from the provision made for this purpose in current ORIC and FaHCSIA appropriations with supplementary contributions from DEEWR and DoHA and possible supplementation from resources freed up as a result of this Review. Agencies would continue to be responsible for resourcing any program-specific training
Indigenous Women's Program	Reduce Indigenous disadvantage through enhancing Indigenous women's leadership, representation, safety, wellbeing and economic status.	FaHCSIA	4.000	Maintain	This grants-based program supports more Indigenous women to undertake leadership, representative and management roles.	Not applicable

CABINET IN CONFIDENCE

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Office of the Registrar of Indigenous Corporations (ORIC)	Provides training to Indigenous Australians to improve the skills of potential and existing directors through their individual accreditation against key competencies	FaHCSIA	2.205	Indigenous organisations should continue to be encouraged to register with ORIC. Maintain ORIC as a separate regulatory authority within the FaHCSIA portfolio.	This is consistent with the broader policy direction being pursued in relation to community stores and through MCATSIA. Registration with ORIC brings organisations under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> (CATSI Act) and ensures that they have a governance structure that is appropriate for the nature of the business.	ORIC's corporate governance training programs should be linked to the proposed whole of government program to be managed by FaHCSIA for the coordinated provision of training and advisory services for Indigenous organisations and individuals.
Aboriginal Disability Network (ADN)	The ADN has been established to contribute to government policies about disability issues affecting Indigenous people and their communities, to carry information between government and the community on social policy issues and to represent constituent views.	FaHCSIA	0.300	Maintain	Funds used to support a national body representing Indigenous people with a disability, their families and their carers. The Aboriginal Disability Network is needed to ensure that the specific needs of Aboriginal people with disability are considered in the policy development cycle and that there is a forum to consider emerging issues.	Not applicable

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – CULTURE, ARTS AND HERITAGE

Culture, Arts and Heritage Programs

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Culture	(1) Maintenance of Indigenous Languages & Records (MILR) (2) National Arts & Crafts Industry Support (NACIS) (3) Indigenous Culture Support (ICS)	DEWHA	29.787	No immediate change. Seek advice from National Congress of Australia's First Peoples, once established, on appropriateness of current distribution between MILR, NACIS & ICS elements and on current program administration arrangements.	National Congress of Australia's First Peoples is better qualified than this review to advise on Indigenous Culture program.	
Cape York Welfare Reform Trial - DEWHA Arts and Culture positions	Geographically targeted subsidised employment – part of wider project	DEWHA	0.219	Maintain	Welfare reform trial extends to 2011. Evaluation framework is in place.	DEWHA funding for these positions is ongoing. When trial ends, funding will presumably be merged into relevant DEWHA programs.
Indigenous Heritage Program	grants to identify/conservate/explain/build Indigenous heritage/keeping places	DEWHA	4.313	Maintain	Positive Dec 09 OEA audit report – sound procedures; achieving stated outcomes and other unanticipated health (reduced alcohol consumption) and economic (tourism & art enterprises) outcomes.	
TSRA - Culture, Art & Heritage	Supports art & crafts in Torres Strait, including dance & music	TSRA	2.305	Maintain		
Aboriginal and Torres Strait Islander Heritage Protection Act 1984	Administration of Heritage Protection Act	DEWHA	0.213	Maintain	Statutory responsibility	

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Return of Indigenous Cultural Property (RICP)	Returns Indigenous skeletal remains & objects held in Aust. Museums	DEWHA	2.136	Merge, within DEWHA, with similar FaHCSIA program	DEWHA program (unlike FaHCSIA's) is joint Commonwealth/State initiative; DEWHA has other portfolio connections with museums	From 1 July 2010
Repatriation	Returns Indigenous skeletal remains from overseas institutions	FaHCSIA	0.568	Transfer to DEWHA & merge with RICP	As above	From 1 July 2010
Cultural Development Programme (CDP) Indigenous Dance Training - National Aboriginal & Islander Skills Development Association (NAISDA)	TAFE accredited dance training. [Grouped under culture because of limited employment opportunities for dancers.]	DEWHA	1.352	Maintain	Small program with 15 years of funding history. New premises funding indicates ongoing commitment.	
CDP Art Training and Facilities - NAISDA construction project	One off construction with (rephased) funding ending this year	DEWHA	5.169	No change	Terminating this year	
Foreign Affairs and Trade - Images of Australia	Presents Indigenous culture to overseas audiences	DFAT	0.170	Maintain		
AIATSIS - Collection Development and Management	Collects & preserves Indigenous printed & audiovisual material & art & artefacts	AIATSIS	10.995	Separate external review of AIATSIS	Detailed review overdue	
AIATSIS - Dissemination of Information	Publishes books, maps CDs & DVDs	AIATSIS	1.125	Separate external review of AIATSIS	Detailed review overdue	
AIATSIS - Research	Research grants and visiting fellowships	AIATSIS	3.849	Separate external review of AIATSIS	Detailed review overdue	
Indigenous Broadcasting	Grants to Indigenous community radio, Imparja TV, Indigenous community TV & Indigenous media peak bodies	DEWHA	15.531	Expected review of Indigenous Broadcasting and Media Sector should examine adequacy of IBPs performance framework.	Deficiencies in performance framework.	

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National Indigenous Television (NITV)	Separate TV channel via cable &, in Sydney, via free to air.	DEWHA	15.200	Proposal already in SIBS for NITV to continue for 6 months while undertaking a review of the Indigenous Broadcasting and Media sector.	Already on ERC agenda, through SIBS.	
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Culture, Arts and Heritage Programs within independent non-Indigenous agencies

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
ABC Indigenous Online - Programs and Education Development	Radio, TV & online content targeting Indigenous audiences	ABC	3.221	Maintain	Independent non-Indigenous agency	
Indigenous Radio	Radio content relevant to Indigenous audiences	SBS	0.130	Maintain	Independent non-Indigenous agency	
Indigenous Television & Online	Television content relevant to Indigenous audience	SBS	2.880	Maintain	Independent non-Indigenous agency	
Aboriginal and Torres Strait Islander Arts Program	Grants to support traditional & other arts practices	Australia Council	4.286	Maintain	Independent non-Indigenous agency	
Indigenous Expenditure	Black Screen Travelling Film Festival	NFSA	0.664	Maintain	Independent non-Indigenous agency.	
National Gallery of Australia	Presumably curatorship/ exhibition design/training etc (No survey return)	NGA	0.440	Maintain	Independent non-Indigenous agency.	
Aboriginal and Torres Strait Islander Program	National Museum of Australia has many Indigenous related activities (including exhibitions & research grants) (No survey return)	NMA	1.299	Maintain	Independent non-Indigenous agency.	

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Indigenous Expenditure	Supports Indigenous media production (e.g. 'Samson & Delilah')	Screen Aust.	4.641	Maintain	Independent non-Indigenous agency.	
Indigenous Acquisitions Fund	Indigenous acquisitions for Australian National Maritime Museum. (No survey return)	ANMM	0.085	Maintain	Independent non-Indigenous agency.	

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MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – NATIVE TITLE AND LAND RIGHTS

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Native Title	Native Title Unit administers the Native Title Act (NTA) and manages stakeholder consultation across native title system (including with States & NT)	AGD	6.793 [later estimate of 4.441 not used in tabulations]	Maintain	Essential component of native title system	
Native Title [Was Native Title Jurisdiction Matters]	Manages and adjudicates all applications relating to native title. [Greater mediation role acquired by Sep 2009 amendments to NTA.]	Federal Court	9.731	Maintain	Essential component of native title system	
Resolution of native title issues over land and water [previously listed as Recognition and Protection of Native Title]	Tests claimant applications, assists parties to applications, assists negotiations for Indigenous Land Use Agreements (ILUAs), mediates & arbitrates & maintains registers	NNTT	29.766	Maintain	Essential component of native title system	
Indigenous Liaison Officers and Review into Indigenous Heritage Issues	Implement Bradshaw ILUA in NT, negotiate Cultana ILUA in SA	Defence	1.123	Maintain		
Native Title and Land Rights	Provide access to professional services for native title claimants through Native title Rep. Bodies and other Native title service providers.	FaHCSIA	76.876	Maintain	Essential component of native title system	
TSRA Native Title	Legal policy & advocacy support for Prescribed Bodies Corporate, native title claims & ILUAs	TSRA	2.373	Maintain		

MAPPING OF EXISTING PROGRAMS TO POSSIBLE NEW ARRANGEMENTS – OTHER PROGRAMS

Environment focused

(Note: DEWHA rangers programs also have primarily environmental objectives but have been considered above under under the ‘Economic’ block because of their substantial impact on Indigenous employment)

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Protected Areas Program	Consultation on, & preparation & implementation of land management plans for Indigenous owned land	DEWHA	9.121	Maintain	\$50m funding increase over 5 years was a 2007 election commitment	
Caring for our Country (C4oC)	(1) 13 Indigenous Land Management Facilitators (ILMFs) (APS positions); (2) Indigenous Emissions Trading (IET) fire management & forestry for carbon markets	DEWHA	3.100	(1) Maintain (2) Continue, on understanding that DEWHA will review and if necessary adapt IET when emissions trading regime is settled.	(1) ILMF positions are used across various Caring for our Country activities (2) relevance of program to carbon markets depends on nature of those markets	
Indigenous Partnerships Program (which includes Reef Rescue)	Communication with & capacity building within traditional owners of Great Barrier Reef Marine Park	GBRMPPA	2.550	Maintain	Continuation of longstanding activity. 2007 election commitment. Commonwealth is party to sea country Indigenous Land Use Agreement.	

CABINET IN CONFIDENCE

Broad purpose funding

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Indigenous Communities Strategic Investment (ICSI)	Flexible multipurpose fund, previously used for Shared Responsibility Agreements	FaHCSIA	34.579	Retain, on understanding that some resourcing will shift to proposed Remote Service Delivery flexible funding pool.		
Indigenous Communities Strategic Investment (ICSI) Special Account	Flexible multipurpose fund used to process State government and other agency contributions to joint projects.	FaHCSIA	[Nov.09 balance was \$2.735m]	Maintain	Mechanism to consolidate contributions from other agencies and governments	
CTG NT - Local Priorities Fund	Immediate community needs in NT	FaHCSIA	10.047	Program already scheduled to terminate June 2010		
Aboriginals Benefit Account (ABA)-discretionary payments	payments for benefit of Aboriginal people living in the NT, at discretion of FaHCSIA Minister	FaHCSIA	25.000	Minister report annually in SIBS on how payments are aligned with COAG strategies and targets	Substantial resource (\$105m surplus 2008-09) not necessarily aligned with targets – though recent payments have been aligned.	

Other

Program	Purpose/Description	Responsible Agency	2009-10 (\$m)	Treatment	Rationale	Transition and Other Considerations
Reconciliation Australia	\$3.6m p.a. grant to Reconciliation Australia from 2010-11 to 2013-14	FaHCSIA	0.000	Maintain	2009-10 Budget measure	
Healing Foundation	Grants for initiatives to help address impacts of trauma & grief, particularly for Stolen Generations (commencing Jan 2010)	FaHCSIA	5.904	Maintain	2009-10 Budget measure	

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Public Awareness	Funds projects & events (including NAIDOC) to raise public awareness of Indigenous culture, society & issues	FaHCSIA	2.981	Maintain		
Indigenous Interpreters	Employment of interpreters and coordinators by Aboriginal Interpreter Services (AIS) NT to build interpreting capacity needed for NT intervention	FaHCSIA	0.900	Maintain	Program is part of CtG NT National Partnership Agreement.	Both FaHCSIA & AGD fund AIS NT but these arrangements are tantamount to purchase of interpreter services for separate agency program priorities.
Aboriginal Interpreting Services [was NT Aboriginal Interpreter Services]	Joint funding with NTG to NT Aboriginal Interpreter Service (AIS) for free access to interpreters by legal aid services etc	AGD	0.550	Maintain	MOU with NTG expires June 2010. Program evaluation planned for early 2010. Current arrangement probably cheaper than fee for service for AGD funded organisations.	Both FaHCSIA & AGD fund AIS NT but these arrangements are tantamount to purchase of interpreter services for separate agency program priorities.
Office of the Registrar of Indigenous Corporations (ORIC) - other	Departmental expenses of ORIC for its functions (e.g. registrations, interventions) other than governance training	FaHCSIA	7.795	Maintain	performance of statutory functions	
Payments to Universities & other Institutions for Indigenous Research	Indigenous research, mainly funding for the Indigenous Clearinghouse	FaHCSIA	0.780	Maintain	CTG Clearinghouse was 2009-10 Budget measure	
Australian Electoral Commission Indigenous Specific Expenditure	Increase electoral knowledge and enrolment	AEC	1.200	Maintain	new program 2009, still being designed	
Office of Evaluation and Audit	Was evaluation & audit of Indigenous programs. OEA now merged with ANAO	DOFD	5.305	Program already ceased		
Discovery Indigenous Researchers' Development Scheme (DIRD)	Develop & support Indigenous researchers	ARC	1.850	Maintain		

CABINET IN CONFIDENCE

Indigenous Policy Support - Outcome 1	Policy advice on Indigenous matters	PM&C	1.092	Maintain	Core government business	
Productivity Commission Funding - Overcoming Indigenous Disadvantage report and Indigenous Expenditure Report	Reporting on key indicators and whole of government Indigenous expenditures	Productivity Commission	2.068	Maintain	COAG commitment	
Australians..... [Was Community Affairs Australian Human Rights Commission]	Aboriginal and Torres Strait Islander Social Justice Commissioner produces an annual Social Justice & Native Title report.	AHRC	0.758	Maintain	Statutory responsibility	

Australian Government own purpose Indigenous expenditures include departmental expenses for the administration of Indigenous programs. Such departmental expenses in DEEWR, and most of those in FaHCSIA, have not been allocated by those agencies to specific Indigenous programs. For 2009-10, estimated unallocated Indigenous departmental expenses are \$53 million in DEEWR and \$272 million in FaHCSIA. DoHA departmental expenses were also not allocated to individual programs, though there was some allocation to groups of programs within the Health function. All DoHA departmental expenses have been treated as part of expenditure under the Health grouping. Because DEEWR and FaHCSIA's departmental expenses relate to more than one functional group, they are noted here under 'other'. Unallocated departmental expenses are not separate programs.

ATTACHMENT F: ACRONYMS

Aboriginal and Torres Strait Islander Commission (ATSIC)
Aboriginal and Torres Strait Islander Land Account (the Land Account)
Aboriginal and Torres Strait Islander Legal Service (ATSILS)
Aboriginal Development Commission (ADC)
Aboriginal Hostels Limited (AHL)
Aboriginal Land Rights (Northern Territory) Act 1976 (ALRA),
Aboriginal Medical Services (AMSs)
Aboriginals Benefit Account (ABA)
Animal Management in Rural and Remote Indigenous Communities (AMRRIC)
Army Aboriginal Community Assistance Program (AACAP)
Attorney-General's Department (AGD)
Australian Early Development Index (AEDI)
Australian Federal Police (AFP)
Australian Government Indigenous Expenditure (AGIE)
Australian Indigenous Education Foundation (AIEF)
Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)
Australian Institute of Health and Welfare (AIHW)
Australian Public Service (APS)
Australian Public Service Commission (APSC)
Australian Remote Indigenous Accommodation (ARIA)
Australian Securities and Investments Commission (ASIC),
Australian Sports Commission (ASC)
Away-from-Base for 'Mixed-Mode' Delivery (AFB)
Batchelor Institute of Indigenous Tertiary Education (BIITE)
Boards of Management (BoM)
Budget Based Funding (BBF)
Caring for our Country (C4oC)
Centre for Appropriate Technologies (CAT)
Centre for Excellence in Indigenous Tobacco Control (CEITC)
Child Care Benefit (CCB)

Child Care Rebate (CCR)
COAG Reform Council (CRC)
Commonwealth Authorities and Companies Act 1997 (CAC Act).
Commonwealth Grant Guidelines (CGGs)
Commonwealth Grants Commission (CGC)
Commonwealth Own Purpose Expenses (COPE)
Community Broadcasting Foundation (CBF)
Community Development Employment Projects (CDEP)
Community Employment Brokers (CEBs)
Community Housing and Infrastructure Program (CHIP)
Community Support Service (CSS)
Continuous quality improvement (CQI)
Council of Australian Governments (COAG)
Cross Agency Working Group on Indigenous Funding and Governance Reform (CAWG)
Defence Indigenous Development Program (DIDP)
Department of Aboriginal Affairs (DAA)
Department of Education, Employment and Workplace Relations (DEEWR)
Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA)
Department of Health and Ageing (DoHA)
Department of Infrastructure, Transport, Regional Development and Local Government (DITRDLG)
Directorate of Indigenous Affairs (DIA)
Early childhood development (ECD)
Early Childhood Education (ECE)
Early childhood education and care (ECEC)
Elite Indigenous Travel and Accommodation Assistance Program (EITAAP)
Employment Pathway Fund (EPF)
Executive Consultative Forum on Indigenous Affairs (ECFIA)
Expenditure Review Committee (ERC)
Family Income Management (FIM)
Family Support Program (FSP)
Family Violence Partnership Program (FVPP)
Family Violence Prevention Legal Services Program (FVPLSP),
Family Violence Regional Activities Program (FVRAP)

Fixing Houses for Better Health (FHBH)
Flexible Funding Pools (FFPs)
Full time equivalent (FTE)
General practitioners (GPs)
Government Business Managers (GBMs)
Grant Management System (GMS)
Great Barrier Reef Marine Park (GBRMP)
Home Ownership on Indigenous Lands (HOIL)
Home Ownership Program (HOP)
Indigenous Broadcasting Program (IBP)
Indigenous Business Australia (IBA)
Indigenous Cadetship Program (ICP)
Indigenous Capital Assistance Scheme (ICAS)
Indigenous Children Program (ICP)
Indigenous Communities Strategic Investment (ICSI)
Indigenous Coordination Centres (ICCs).
Indigenous Culture Support (ICS).
Indigenous Economic Development Strategy (IEDS),
Indigenous Education (Targeted Assistance) Act 2000 (IETA)
Indigenous Education Consultative Bodies (IECBs)
Indigenous Emissions Trading (IET).
Indigenous Employment Program (IEP)
Indigenous Employment Special Account (IESA),
Indigenous Engagement Officers (IEOs)
Indigenous Expenditure Report (IER)
Indigenous Heritage Program (IHP)
Indigenous Higher Education Advisory Council (IHEAC).
Indigenous Land Corporation (ILC)
Indigenous Land Management Facilitators (ILMFs)
Indigenous Land Use Agreements (ILUAs).
Indigenous Liaison Officer (ILO)
Indigenous Mothers' Accommodation Fund (IMAF)
Indigenous Parenting Support Services (IPSS)
Indigenous Pre Recruitment Course (IPRC)

CABINET IN CONFIDENCE

Indigenous Protected Areas (IPA)
Indigenous specific mainstream expenditure (ISME)
Indigenous specific program expenditure (ISPE)
Indigenous Sport and Recreation Program (ISRP)
Indigenous Sports Program (ISP),
Indigenous Support Program (ISP)
Indigenous Support Programme (ISP)
Indigenous Tobacco Control Initiative (ITCI)
Indigenous Tutorial Assistance Scheme (ITAS)
Indigenous Tutorial Assistance Scheme – Tertiary Tuition (ITAS -TT)
Indigenous Youth Leadership Program (IYLP)
Indigenous Youth Mobility Program (IYMP)
Intergovernmental Agreement (IGA)
Job Service Australia (JSA)
Law and Justice Advocacy Development Program (LJAD)
Local Implementation Plans (LIPs)
Magistrates Early Referral Into Treatment (MERIT)
Maintenance of Indigenous Languages and Records (MILR)
Memoranda of Understanding (MoU)
Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA)
Ministerial Council on Aboriginal and Torres Strait Islander Affairs (MCATSIA).
National Aboriginal Community Controlled Health Organisation (NACCHO)
National Accelerated Literacy Program (NALP),
National Arts and Crafts Industry Support (NACIS)
National Assessment Program Literacy and Numeracy (NAPLAN)
National Health Care Agreement (NHCA)
National Indigenous English Language & Literacy Strategy (NIELNS)
National Indigenous Land Strategy (NILS)
National Indigenous Reform Agreement (NIRA)
National Indigenous Television (NITV)
National Indigenous Violence and Child Abuse Intelligence Task Force (NIITF)
National Native Title Tribunal (NNTT)
National Partnership (NP)

CABINET IN CONFIDENCE

National Partnership Agreement (NPA)
National Quality Agenda (NQA)
Natural Heritage Trust (NHT)
New Enterprise Incentive Scheme (NEIS)
New policy proposals (NPPs)
Northern Territory Emergency Response (NTER)
Not-For-Profit (NFP)
NT Aboriginal Interpreter Service (NTAIS)
Occupational Health and Safety (OHS)
Office for Aboriginal and Torres Strait Islander Health (OATSIH)
Office of Evaluation and Audit (OEA)
Office of Indigenous Policy Coordination (OIPC)
Office of the Registrar of Indigenous Corporations (ORIC)
Overarching Bilateral Indigenous Plans (OBIP)
Parent and Community Engagement Program (PACE)
Parent School Partnerships Initiative (PSPI)
Pharmaceutical Benefits Scheme (PBS)
Portfolio Budget Statements (PBS)
Practice Incentive Payments (PIP).
Public Service Act (PSA)
Quality Assurance for Aboriginal and Torres Strait Islander Medical Services (QAAMS)
Quality Use of Medicines Maximised for Aboriginal and Torres Strait Islander peoples (QUMax)
Remote Aerodrome Safety Program (RASP)
Remote Air Services Subsidy Scheme (RASS)
Remote Aviation Infrastructure Fund (RAIF)
Remote Indigenous Broadcasting Services (RIBS)
Remote Indigenous Media Organisations (RIMO)
Regional Operations Centre (ROC)
Remote Service Delivery (RSD)
Return of Indigenous Cultural Property (RICP)
School Nutrition Program (SNP)
Secretaries Group on Indigenous Affairs (SGIA)
Single Indigenous Budget Submission (SIBS)

Socioeconomic status (SES)

Specific Purpose Payment (SPP)

State Operating Committee (SOC)

Strategic Indigenous Housing and Infrastructure (SIHIP)

Supplementary Recurrent Assistance Vocational Education and Training (SRA-VET)

Torres Strait Regional Authority (TSRA)

Transitional Program Assistance (TPA)

Vocational Education and Training (VET)

Voluntary Mobility Assistance (VMA)

Working on Country (WOC)

Youth in Communities (YIC)

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