

CHAPTER 18

Enter the Commonwealth Grants Commission

In November 1999 the Commonwealth Government provided the Commonwealth Grants Commission with terms of reference for an inquiry into the distribution of funding for programs that affected Aboriginal and Torres Strait Islander peoples. This was the first of its kind specifically in relation to funding. The terms of reference for the inquiry required the Commission to develop measures of relative disadvantage that could be used to target resources more effectively to areas of greatest need.¹

In conducting its review, the Commission was required to take account of the full range of sources from which funding could be obtained, including Indigenous specific and mainstream programs, the interrelationships between these funding sources, and the methods by which distribution of funding was determined.

The Commission was specifically required also to consider interaction between the Commonwealth and State governments where spending was involved.

The key functional areas to be covered in the inquiry were:

- Housing and infrastructure;
- Employment and training;
- Health; and
- Education.

In its report, the Commission identified important principles and key areas of action that should guide efforts to promote a better alignment of funding with needs. These included:²

- The full and effective participation of Indigenous people in decisions affecting funding distribution and service delivery;
- A focus on outcomes;
- Ensuring a long term perspective to the design and implementation of programs and services, thus providing a secure context for setting goals;
- Ensuring genuine collaborative processes with the involvement of government and non-government funders and service deliverers, to maximise opportunities for pooling of funds, as well as multi-jurisdictional and cross-functional approaches to service delivery;
- Recognition of the critical importance of effective access to mainstream programs and services, and clear actions to identify and address barriers to access;
- Improving the collection and availability of data to support

¹ Commonwealth Grants Commission, *Report on Indigenous Funding*, 2001.

² Commonwealth Grants Commission, *Report on Indigenous Funding*, 2001, pp. xvi-xx.

informed decision making, monitoring of achievements and program evaluation; and

- Recognising the importance of capacity building within Indigenous communities.

The Commission reported that achieving equitable access for Indigenous people to mainstream services was the highest priority. This required actions to:

- Ensure all spheres of government recognise their responsibilities through mainstream programs and the appropriate relationship between mainstream and Indigenous specific programs;
- Review all aspects of mainstream delivery to ensure they are sensitive to the special needs and requirements of Indigenous people; and
- Involve Indigenous people in the design and delivery of mainstream services.

The report further said that effective partnerships between service funders, service providers and Indigenous people would better direct services towards Indigenous disadvantage. Some essential features of such partnerships were that there was:

- The involvement of all relevant spheres of government with a cross-functional perspective;
- A financial stake for all parties so that Indigenous representatives do not feel dominated by the fund-holding agencies;
- Full and equal access to policy and service delivery information for all parties; and
- Indigenous control of, or strong influence over, service delivery expenditure and regional and local service delivery arrangements that emphasise community development, inter-agency cooperation and general effectiveness.

There was general satisfaction that the Murdi Paaki's approach both reflected and was supported by the conclusions of the Indigenous Funding Report. This was reflected in evidence given to the Indigenous Funding Inquiry. This evidence identified key aspects of the Inquiry's conclusions and their synergy with Indigenous aspirations as being:³

- An emphasis on partnerships;
- Greater Indigenous control and authority;
- A recognition of the principles in the first National Commitment;
- Shared responsibility;

³ Commonwealth Grants Commission, Indigenous Funding Inquiry, Commonwealth Agency Conference, Canberra, 1 November 2000, Transcript of Proceedings, p. 8.

- Joint pooling of funds;
- Recognition of the way all levels of government have a responsibility to ensure the effective delivery of services to Aboriginal people; and
- An emphasis on regional structures.

As one participant observed:

There has to be a genuine government commitment to achieve self management and self empowerment, to know what it means, and to work with and respond productively and positively, encouraging those regional groupings who have set about doing it but cannot go any further until someone says, 'What a very good idea.'⁴

In its presentation to hearings the Review conducted in Bourke, the Murdi Paaki Regional Council sought to establish that:

...any objective measures of needs would discover that the Aboriginal people of the Murdi Paaki region of western NSW are relatively disadvantaged by the current distributions of program funding.⁵

A key aspect of this disadvantage was access to services.

In its submission, which was specific to the Review's terms of reference, the Council argued that the Aboriginal communities of western NSW were the inheritors of a profound and systematic dispossession. This historical fact affected their current disadvantages. The question was: how could the social and psychological inheritance of this history be objectively modelled or measured?

The Council saw access to land as one measurable component of this element of relative disadvantage. The Aboriginal communities of western NSW, it argued, had very little land under their control. Aboriginal people in the region had profound attachments to place as did those Aboriginal communities in the Northern Territory and other parts of Australia that have retained possession of their traditional lands.

A significant proportion of the Murdi Paaki region's Aboriginal communities were isolated from centres that provided governmental service delivery programs. People had extensive distances to travel, relative to Aboriginal communities in the rest of NSW, to access some governmental services. If services were delivered to their community, this was usually only done on an occasional visiting basis. Even some of the major regional centres suffered from this phenomenon.

The most relevant indicator of relative need of the region was to compare it with the rest of NSW. In the Murdi Paaki submission, the intra-

⁴ Commonwealth Grants Commission, Indigenous Funding Inquiry, Commonwealth Agency Conference, Canberra, 1 November 2000, Transcript of Proceedings, p. 16.

⁵ Murdi Paaki Regional Council, *Submission to the Commonwealth Grants Commission Inquiry Into Indigenous Funding in Australia*, Presented at the Commonwealth Grants Committee Hearing, Bourke, 23 August 2000, p. 4.

state measure was the most approximately relevant benchmark.

The submission argued that the region's Aboriginal population was among the most disadvantaged in Australia. The particular structure of the relative disadvantage of the Aboriginal people of the Murdi Paaki region derived not from its demographic features but from the weakness and decline of the regional economy.

The second issue arose from the changing demographic structure of the region. The proportion of Aboriginal people within the region was growing rapidly, from 42% in 1991 to 55% in 1996 and was then probably about 60%.

The large increase had been a function not just of Aboriginal population growth but of a decline in the non-Indigenous population. This had important effects upon Local government. One of these was that it created a shift in service demand towards more welfare, public safety and employment-creation services.

In a 65-page response to the Commonwealth Grants Commission's report, the Commonwealth outlined the implications of the report's recommendations for further policy development in Indigenous Affairs and in doing so established a set of principles for further policy development.⁶

In its preamble, the Commonwealth noted that the response was consistent with its 2001 election commitments. These included:

- Improving access to mainstream program and services at both the State and Commonwealth levels, particularly in urban and regional centres, to better target Indigenous-specific programmes to areas of greatest need; and
- Continuing to develop new ways of doing business with Aboriginal and Torres Strait Islander people.⁷

In more specific terms⁸, the Government stated that the response built on the Government's commitment to address the underlying and contemporary causes of Indigenous disadvantage, not just its symptoms. That commitment was founded on a partnership with Indigenous people and followed a number of key themes:

- Taking a whole-of-government approach by involving all relevant portfolio Ministers and the States and Territories, working within the reconciliation framework set down by the Council of Australian Governments (COAG);
- Increasing the focus on individuals and their families as the foundations of functional communities;

⁶ Government response to the Commonwealth Grants Commission, *Report on Indigenous Funding 2001*, June 2002.

⁷ Government response to the Commonwealth Grants Commission, *Report on Indigenous Funding 2001*, June 2002, p.5.

⁸ Government response to the Commonwealth Grants Commission, *Report on Indigenous Funding 2001*, June 2002, p.6.

- Encouraging and supporting self-reliance and independence from welfare, with a focus on achieving education outcomes that lead to real jobs;
- Strengthening leadership, capacity, and governance;
- Addressing the debilitating effects of substance abuse and domestic violence; and
- Increasing opportunities for local and regional decision making by Indigenous people, and improving program coordination and flexibility to respond to local needs.

The Government's response was summarised into a set of principles for the equitable provision of services to Indigenous people⁹, recognizing that Indigenous Australians experienced greater levels of social and economic disadvantage in comparison with non-Indigenous Australians. It was also the case, the response argued, that Indigenous people in the more rural and remote areas of Australia experienced greater levels of disadvantage than Indigenous people in urban and regional centres.

In allocating resources to redress this disadvantage, the Government sought to apply the following principles:

1. The design and delivery of services to meet Indigenous needs should be flexible and undertaken on the basis of partnerships and shared responsibilities with Indigenous people in a culturally and locationally appropriate way;
2. The development of a long term perspective in the funding, design and implementation of programs and services to provide a secure context for setting goals;
3. Access to services will be provided on the basis of need and equity to all Australians, including Indigenous Australians, with a clear focus on achieving measurable outcomes;
4. Mainstream programs and services have the same responsibility to assist Indigenous Australians as other Australians;
5. The resources needed to address the specific disadvantages faced by Indigenous clients, whether delivered through the mainstream or Indigenous-specific services, can be greater than for other clients, especially in rural and remote locations;
6. Where mainstream services are unable to effectively meet the needs of Indigenous people (whether due to geographic limits to availability or other barriers to access) additional Indigenous-specific services are required;
7. Overall capacity to achieve outcomes is an important factor when considering whether Indigenous-specific programs and services should be established to meet identified need or whether to enhance mainstream programs;

⁹ Government response to the Commonwealth Grants Commission *Report on Indigenous Funding 2001*, June 2002, p.22.

8. Coordination of service delivery within and between governments;
9. Improving community capacity is a key factor in achieving sustainable outcomes for Indigenous communities; and
10. Data collection systems require continuous improvement to ensure performance reporting on key Indigenous outcomes is of a high standard and enables resource allocation to be better aligned with identified need, including by geography.