



COMMONWEALTH INDIGENOUS BUDGET BULLETIN

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The Commonwealth Indigenous Budget Bulletin – July 2010 is produced by *Macroeconomics* to engender discussion and debate on indigenous policy. Your feedback and suggestions for improving the Bulletin are appreciated.

Queries can be directed to the author:

Dr Lesley Russell*

T: 02 6161 3542

E: lesley.russell@macroeconomics.com.au

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*The Indigenous Budget Bulletin is prepared by the **Macroeconomics** health team headed by Dr Lesley Russell (pictured below) to help engender public debate and scrutiny of indigenous budget policy. The bulletins are published at least twice a year (coinciding with the release of the Budget and the Mid Year Economic and Fiscal Outlook) along with supplementary features which are supplied as issues arise in relevant portfolios.*



*Dr Russell is a senior adviser to **Macroeconomics** on health economics and policy including program analysis. She is the inaugural Menzies Foundation Fellow at the Menzies Centre for Health Policy which is co-located at the University of Sydney and the Australian National University. She is actively involved in health policy research, analysis and commentary.*

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Table of Contents

IN THIS BULLETIN..	5
1 PROGRESS TOWARDS CLOSING THE GAP	6
1.1 Life Expectancy	6
1.2 Infant Mortality	7
1.3 Access to Early Childhood Education	8
1.4 Literacy and Numeracy	8
1.5 Year 12 Retention Rates	9
1.6 Employment	9
2 INDIGENOUS-SPECIFIC NATIONAL PARTNERSHIPS	11
2.1 Remote Service Delivery	11
2.2 Remote Indigenous Public Internet Access	12
2.3 Remote Indigenous Housing	12
2.4 Closing the Gap in the Northern Territory	13
2.5 Indigenous Economic Participation	14
2.6 Indigenous Early Childhood Development	14
2.7 Closing the Gap in Indigenous Health Outcomes	14
2.8 Services for Indigenous Communities in Urban and Regional Areas	16
3 INDIGENOUS PROVISIONS IN THE 2010-11 FEDERAL BUDGET	17
3.1 Education, Training and Employment	17
3.2 Reform of the Community Development Employment Projects	18
3.3 Income Management	21



3.4	Housing	25
3.5	Health	28
3.6	Early Childhood.....	30
3.7	Culture	30
3.8	Justice, Policing and Addressing Violence	32
3.9	Other Initiatives	33
4	RESTORATION OF THE RACIAL DISCRIMINATION ACT	35
5	UPDATE ON THE NORTHERN TERRITORY INTERVENTION.....	37
5.1	Early Childhood and Childcare	37
5.2	Parenting Programs	37
5.3	Schooling	38
5.4	Health	38
5.5	Economic Participation and Welfare Reform.....	39
5.6	Land Reform	40
5.7	Safe Communities.....	40
5.8	Governance and Leadership	42
6	REPORT ON THE EVALUATION OF INCOME MANAGEMENT IN THE NORTHERN TERRITORY 2009	43



In this Bulletin..

As recently acknowledged by the former Prime Minister, Kevin Rudd, in a speech to Parliament, entrenched Indigenous health disadvantage is “a product of failed policy. Our Indigenous reform agenda seeks to redress decades of underinvestment, buck-passing, confused responsibilities within our Federal system, and piecemeal and poorly targeted investments.”

The failed policies, the underinvestment, buck-passing, confused responsibilities and poorly targeted investments extend well beyond health to every aspect of Indigenous disadvantage. Yet despite good intentions and written commitments, there is little progress towards redressing this situation.

Nowhere is this more strongly highlighted than in health. The National Health and Hospitals Reform Commission (NHHRC) called for an Indigenous health investment strategy ‘that is proportionate to health need, the cost of service delivery, and the achievement of desired outcomes’, but there was nothing in the **\$7.3 billion** committed to health care reform that was specifically targeted at Indigenous health. Clearly addressing the health disparities between Indigenous and non-Indigenous Australians is a commitment made only in words, and not matched with dollars and action.

Regrettably, there is little information available to suggest that the money that has been spent to date as part of the Northern Territory Emergency Response (NTER) has had any positive impact. Indeed, a recent health impact assessment conducted under the auspices of the Australian Indigenous Doctors’ Association (AIDA) found that any potential benefits to physical health are largely outweighed by negative impacts to psychological health, social health and wellbeing as well as cultural integrity.

Everyone has a calculation about how much money is needed to close the gap on Indigenous disparities within the timeframes outlined. But it isn’t just about money, although clearly nothing can happen without increased investments, and in the case of health, even 1 per cent of the **\$7.3 billion** provided for health care reform could make a big difference. It’s about making good on a promise that would treat Indigenous Australians with the respect they deserve, giving them hope and dignity along with health and health care, decent housing, education and an economic future.

As we head into an election campaign we should demand nothing less of our Prime Minister and his/her government.



1 Progress Towards Closing the Gap

In the early days of his Prime Ministership, Kevin Rudd committed to 'closing the gap' on Indigenous disadvantage, committing to six ambitious targets:

- Closing the life expectancy gap within a generation.
- Halving the gap in mortality rates for Indigenous children under 5 within a decade.
- Ensuring all Indigenous four year olds in remote communities have access to early childhood education within 5 years (by 2013).
- Halving the gap for Indigenous students in reading, writing and numeracy within a decade (by 2018).
- At least halving the gap in Indigenous Year 12 attainment or equivalent attainment rates by 2020.
- Halving the gap in employment outcomes by 2018.

Time is ticking in terms of the self imposed timeframe on several of these targets. It's not clear how much progress has been made.

1.1 Life Expectancy

Over the years the Australian Bureau of Statistics (ABS) has used several different methods for estimating the life expectancy of Indigenous Australians thus reducing the life expectancy gap between Indigenous and non-Indigenous Australians. The figure has moved from 20, to 17, to 11 years but this does not indicate an actual improvement in the life expectancy of Indigenous people.

In 2009 the ABS released updated figures indicating that the average life expectancy gap between Indigenous and non-Indigenous Australians is around 11 years. Although the ABS argues that the new methodology for measuring Indigenous life expectancy, which matches death records with census data, is more accurate, some **26 per cent** of Indigenous deaths are not matched with a census record. This means that the latest figure of 11 years still lacks some accuracy.



Tobacco, obesity and physical inactivity are the leading risk factors. Together, they account for an estimated **45 per cent** of the total health gap.¹ While smoking rates among Indigenous people have fallen from **52 per cent** in 1994 to **47 per cent** in 2008, rates of overweight and obesity have steadily increased for Indigenous Australians in the last decade from **51 per cent** to **60 per cent**. Indigenous Australians are nearly twice as likely to be obese as non-Indigenous Australians. Also, the proportion of Indigenous Australians who reported being sedentary increased from **37 per cent** in 2001 to **47 per cent** in 2005.

Assume a generation is 25 years: 8 per cent of the time available to address this gap target has elapsed. The progress made to date is cosmetic, due to a different way of measuring the gap.

1.2 Infant Mortality

Babies born to Indigenous women are more likely to die in their first year than those born to non-Indigenous women. In 2008, the infant mortality rate for babies born to Indigenous women was highest in the Northern Territory (almost 14 babies died out of 1,000 births) and lowest in South Australia (less than 7 babies died out of 1,000 births). The rate for the total Australian population was 4.1 deaths per 1,000 births in 2008.

In 2007, babies born to Indigenous women on average weighed 200 grams less than those born to non-Indigenous women and babies born to Indigenous women were twice as likely to be of low birth weight (less than 2,500 grams) than were those born to non-Indigenous women. Low birth weight can increase the risk of health problems.

Indigenous children are twice as likely to die before the age of 5 than non-Indigenous children. In 2008, the gap in child mortality meant that 205 of 100,000 Indigenous children died before the age of 5, compared to 100 non-Indigenous children - a difference of more than 100.

Factors that can exacerbate child mortality rates include poor antenatal care, smoking during pregnancy, alcohol consumption, teenage pregnancy, poor nutrition and low birth weight. Socio-economic disadvantage also increases the risk of child mortality.

¹ Prime Minister's Report 2010

<http://www.fahcsia.gov.au/sa/indigenous/pubs/general/Documents/ClosingtheGap2010/closingthegap2010.pdf>



Combined data from New South Wales, Queensland, South Australia, Western Australia and the Northern Territory show there has been a steady decline in the gap in infant mortality rate over the past decade.² Robust data from other States is not available.

20 per cent of the time available to address this gap target has elapsed. The data are not yet good enough for us to know if any progress has been made.

1.3 Access to Early Childhood Education

The best available data shows only around **60 per cent** of Indigenous children are enrolled in an early childhood education program in the year before school, compared to around **70 per cent** of all children. There is currently only limited data to inform this target.³

The National Preschool Census 2009 showed that overall enrolments are very low. In 2008 only 1,749 Indigenous children living in metropolitan areas were enrolled in preschool, compared with 2,420 in provincial areas and 2,364 in remote areas. These numbers do represent an improvement on those in 2005, but really they are miniscule given that there are around 82,000 Indigenous children aged 0-4. We do not know how many children enrolled in preschool actually attend regularly.

40 per cent of the time available to address this gap target has elapsed. Current data are not sufficiently robust to measure progress towards this target.

1.4 Literacy and Numeracy

The evidence shows the gap in meeting literacy and numeracy standards between Indigenous and non-Indigenous students is large. These gaps are evident from as early as Year 3 - with the largest gap in 2008 being 29 percentage points for Year 5 reading. Only **63 per cent** of Indigenous Year 5 students were at or above the national minimum standard for reading compared to **93 per cent** of their non-Indigenous counterparts. The smallest gap (17 percentage points) was for Year 3 numeracy where **96 per cent** of non-Indigenous students were at or above the national minimum standard compared to **79 per cent** of Indigenous students.

² Prime Minister's Report 2010

<http://www.fahcsia.gov.au/sa/indigenous/pubs/general/Documents/ClosingtheGap2010/closingthegap2010.pdf>

³ Ibid



In 2009, the percentage of Indigenous students living in very remote areas achieving at or above the national minimum standards was as low as **26 per cent** for Year 5 reading and **21 per cent** for Year 9 writing.

Literacy and numeracy scores vary across grades; in 2009 there was an improvement in the gap between Indigenous and non-Indigenous students' reading for Years 3, 5 and 7. For Year 9 students, the gap increased slightly.⁴

20 per cent of the time available to address this gap target has elapsed. There is little indication of any improvement and in some cases literacy rates have gotten worse.

1.5 Year 12 Retention Rates

In 2006, only **47 per cent** of Indigenous 20–24 year olds had completed Year 12 or equivalent qualifications, compared to **84 per cent** for the corresponding non-Indigenous cohort. However the percentage varies by location, from over **55 per cent** in major cities to less than **30 per cent** in remote areas.

As a proxy measure for the completion of Year 12, the Prime Minister's 2010 Report uses Indigenous school retention rates from Year 7/8 to Year 12. These rates have risen from **31 per cent** in 1995 to **47 per cent** in 2008. The increase has been especially evident over the last few years with a 6 percentage point increase between 2006 and 2008.

17 per cent of the time available to address this gap target has elapsed. There has seemingly been some progress, but under the best circumstances this is a matter of a few percentage points increase in Year 12 retention, when the gap target is 18 percentage points.

1.6 Employment

In 2008, the Indigenous employment rate was **54 per cent** compared to **75 per cent** for the non-Indigenous population. There was considerable variation between the States and Territories: the gap was 34 percentage points in the Northern Territory but only 9 points in the Australian Capital Territory. While the Indigenous employment challenge is greatest in regional and remote areas, employment rates in major cities are also significantly below the non-Indigenous average. However there is actually little variation in the Indigenous employment rates in major cities (**59 per cent**), regional areas (**51 per cent**) and remote

⁴ Ibid



areas (**52 per cent**), due to Community Development Employment Projects (CDEP) participation.⁵

Labour force non-participation is a major contributor to the employment gap, with **36 per cent** of the Indigenous workforce age population not in the labour force, compared to **22 per cent** for the non-Indigenous population.

The employment gap fell from 23 to 21 percentage points between 2002 and 2008, as Indigenous employment growth slightly exceeded non-Indigenous employment growth, during a strong period for the Australian economy.⁶

20 per cent of the time available to address this gap target has elapsed. Meeting this target will require the gap to fall a further 10.6 percentage points by 2018 – a faster reduction in the gap than has been recently achieved.

⁵ ABS National Aboriginal and Torres Strait Islander Social Survey, 2008; ABS Survey of Education and Work, 2008

⁶ Prime Minister's Report 2010

<http://www.fahcsia.gov.au/sa/indigenous/pubs/general/Documents/ClosingtheGap2010/closingthegap2010.pdf>



2 Indigenous-Specific National Partnerships

There are currently seven Indigenous-specific National Partnerships (NPs) agreed by the Council of Australian Governments (COAG). The Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) has the key responsibility for implementing the Commonwealth's COAG commitments and working with the States and Territories on these.

FaHCSIA is also the lead Commonwealth agency for the implementation of the National Urban and Regional Service Delivery Strategy for Indigenous Australians and the National Strategy for Food Security in Remote Indigenous Communities.

Table 1: Indigenous-Specific National Partnerships

National Partnership	Date agreed	Responsible Commonwealth Agency	Total Commonwealth Funding
Remote Service Delivery	November 2008	FaHCSIA	\$291.5 million / 6 years (\$187.7 million)
Remote Indigenous Public Internet Access	July 2009	DBCDE	\$7.0 million / 4 years
Remote Indigenous Housing	November 2008	FaHCSIA	\$5.5 billion / 10 years*
Closing the Gap in the Northern Territory	July 2009	FaHCSIA	\$793.3 million / 3 years (\$583.5 million)
Indigenous Economic Participation	November 2008	FaHCSIA	\$228.9 million / 5 years (\$172.7 million)
Indigenous Early Childhood Development	October 2008	DEEWR	\$564.9 million / 6 years (not clear [#])
Closing the Gap in Indigenous Health Outcomes	March 2008	DoHA	\$805.5 million / 4 years (\$1.6 billion)

Source: Budget Papers.

Note: *\$1.94 billion in new funds [#] includes \$16.8 million previously committed to Indigenous Child Care Hubs and \$90.3 million previously committed for maternal and child health services

2.1 Remote Service Delivery

This NP supports improvements to the delivery of services across 26 remote locations in the Northern Territory, Western Australia, Queensland, New South Wales and South Australia.



It will address many of the issues found in a 2009 report on the delivery of services in remote areas⁷:

- Improved working relationships between Australian Government departments and service providers so that programs can be better tailored to individual community needs.
- Better alignment between community needs and Government funded programs.
- More streamlined reporting requirements and better feedback on performance for service providers.
- Clearer and more consistent information from Government departments.

Many service providers feel that current funding arrangements are worse than those of earlier years and that program devolution has increased red tape, reduced funding and impaired coordination between government departments.

2.2 Remote Indigenous Public Internet Access

The aim of this NP is to:

- provide increased public access to online resources and services for financial, educational, health, economic and social purposes;
- increase awareness of the benefits and uses of online resources and services; and
- increase computer literacy enabling effective use of information and communication technology and the internet.

The funding provides for **\$0.9 million / 2 years** for new internet access, **\$3.6 million / 4 years** for expansion and maintenance of internet services and **\$2.4 million / 4 years** for training.

2.3 Remote Indigenous Housing

This NP is to allow for the construction of up to 4,200 new houses in remote Indigenous communities, upgrades and repairs to around 4,800 houses in remote communities, improved tenancy management services, increased local training and employment

⁷ <http://www.finance.gov.au/oea/docs/ESDRIC.pdf>



opportunities in construction and housing management (to provide up to 2,000 new jobs) and access to affordable accommodation options in regional centres to support employment, education, training opportunities and access to support services in regional areas of high employment.

It is not clear if this NP also covers the agreement with the Northern Territory under which the Commonwealth has provided **\$672.0 million** to address the Northern Territory housing shortage, estimated as 4,000 dwellings to adequately house the present population, and more than 400 new homes each year for the next 20 years. To date this effort has fared disastrously, with missing funds and a blow-out in costs.

2.4 Closing the Gap in the Northern Territory

Funding for this NP in 2010-11 is **\$247.9 million**, of which the Commonwealth's contribution is **\$171.2 million**. An independent outcome evaluation of this NP will be conducted in 2011-12. This will need to be completed and responded to in a timely fashion as funding for this NP finishes in June 2013.

The Closing the Gap in the Northern Territory National Partnership Agreement provides for the continuation of a number of measures commenced in 2007 under the NTER and relevant legislation until 30 June 2012.

The objectives of the Agreement are to:

- ensure the protection of women and children;
- reduce violence and improve family and community safety, including through restrictions of alcohol and pornography, and enhancing compliance and community education;
- improve the quality of education and increase school participation and employment outcomes;
- improve health and wellbeing, particularly that of children;
- promote positive behaviours among Indigenous youth; and
- promote personal responsibility.



2.5 Indigenous Economic Participation

Funding of **\$228.8 million / 5 years** has been committed to create sustainable Indigenous employment opportunities. Up to 13,000 Indigenous Australians will be assisted into employment over 4 years through the creation of waged market jobs from CDEP positions that have subsidised. Implementation commenced in 2009, with the rollout of jobs converted from CDEP completed by 1 July 2009.

2.6 Indigenous Early Childhood Development

This NP was implemented in January 2009. It addresses the Close the Gap targets that relate to mortality rates for Indigenous children under 5, Indigenous literacy and numeracy, and ensuring all Indigenous 4 year olds have access to quality early childhood education.

The Agreement has three priority areas:

1. Integrated delivery of services, including antenatal services, child and maternal health services, parenting and family support services, and early learning and childcare. A minimum of 35 integrated Children and Family Centres will be established nationally. Total funds for this purpose are **\$292.6 million**.
2. Increased access to antenatal care, pre-pregnancy and teenage sexual and reproductive health services. Total funds for this purpose are **\$107.0 million**.
3. Increased use of antenatal, postnatal, child and maternal health services by Indigenous families. Total funds for this purpose are **\$165.3 million** (it is not clear how much of this is new funding).

2.7 Closing the Gap in Indigenous Health Outcomes

Governments have committed **\$1.6 billion / 4 years** through COAG to close the gap on Indigenous health outcomes. The Commonwealth now refers to this as a program for tackling chronic disease.

The commitments made under this Agreement include:

- Delivery of more than 133,000 additional health checks and 400,000 additional chronic disease management programs for Indigenous people over 4 years.
- Support for more than 160 new Indigenous outreach working positions, 75 extra health professionals and practice managers in Indigenous healthcare services, 38 new



General Practice (GP) registrar training posts in Indigenous health services and expanded nurse scholarship and clinical placements.

Table 2: Closing the Gap in Indigenous Health Outcomes Funding

	2009-10	2010-11	2011-12	2012-13	Total
	\$m	\$m	\$m	\$m	\$m
Commonwealth contribution	82.7	157.2	247.6	317.9	805.5
New South Wales	41.5	43.4	46.7	48.7	180.4
Victoria	14.2	14.4	14.5	14.9	57.9
Queensland	12.3	44.8	50.7	54.3	162.2
Western Australia	19.7	31.1	32.4	34.2	117.4
South Australia	6.3	12.3	16.0	19.3	53.9
Tasmania	1.6	1.8	2.2	2.5	8.0
Australian Capital Territory	5.4	3.5	3.5	3.5	15.9
Northern Territory	51.8	35.6	41.9	46.5	175.9
Total Jurisdictions	235.5	344.2	455.5	541.8	1576.9
Reforms by Initiative					
- Primary care services	85.3	148.9	240.2	305.4	779.75
-Fixing the gap and improving the patient journey	99.2	107.5	108.7	113.4	428.8
-Making Indigenous health everyone's business	11.9	13.0	13.4	14.5	52.8
-Tackling smoking	16.4	44.1	61.8	76.3	198.7
-Healthy transition to adulthood	22.6	30.7	31.5	32.2	117.0

Source: Budget Papers.

There is also a raft of smaller Indigenous-specific NPs for health which will provide **\$49.6 million** in 2010-11 and **\$187.1 million / 5 years** (see Table 3). Most of these payments (**\$29.3 million** in 2010-11) go to remote communities despite that fact that only **26 per cent** of the Indigenous population lives in remote or very remote areas. The only funds that will help Indigenous communities that are not in the Northern Territory or remote areas are provided through the NP on Indigenous early childhood development. This will provide **\$20.3 million** to the States and Territories in 2010-11 (**\$93 million** over the forward estimates).

**Table 3: Indigenous-Specific NP Payments**

	2009-10 \$m	2010-11 \$m	2011-12 \$m	2012-13 \$m	Total \$m
Closing the Gap in the Northern Territory	8.9	4.9	4.9	-	-
Health Services					
-Rheumatic fever ATSI kids	2.3	2.4	2.5	2.5	2.6
-NT sexual assault counselling remote areas	1.4	1.4	1.5	-	-
-NT satellite renal dialysis	1.0	0.3	0.1	-	-
Other Payments					
-E Kimberley development	19.9	20.3	3.3	-	-
-Indigenous early childhood development	13.9	20.3	23	24	25.7
Total	47.4	49.6	35.3	26.5	28.3

Source: Budget Papers.

2.8 Services for Indigenous Communities in Urban and Regional Areas

COAG has also agreed to a Closing the Gap: National Urban and Regional Service Delivery Strategy, which commits governments to coordinate and target the funding provided under mainstream and Indigenous-specific programs to address Indigenous disadvantage in urban and regional locations. No specific funding accompanies this agreement.



3 Indigenous Provisions in the 2010-11 Federal Budget

The 2010-11 Budget spends **\$727.9 million / 5 years** on Indigenous initiatives.⁸ In fact only **\$639.0 million** is new spending; the remaining **\$88.9 million** is redirected funding. Virtually all of this funding is for continuing and / or expanded programs. The Budget also makes savings in Indigenous programs of **\$60.6 million**.

3.1 Education, Training and Employment

3.1.1 Aboriginal and Torres Strait Islander Education Action Plan

\$15.4 million / 4 years is provided from current resources to support the implementation of the ATSI Education Action Plan 2010-14. The Fact Sheets accompanying the Budget state that these funds will provide 'a flexible funding pool' which will support national projects that will complement initiatives by State and Territory governments and non-government education providers.

The activities funded may include:

- helping schools and families to work together,
- improving the way schools support student attendance,
- enhancing access to family literacy and numeracy programs,
- offering better training to educators and
- facilitating the sharing of what works across schools and systems.

The draft Indigenous Education Action Plan 2010-14⁹ was released for public comment (due February 2010) but the **Macroeconomics** health team have been unable to source a copy of the final plan.

⁸ This figure does not include spending through the Indigenous NPs, and it includes \$42.4 million of the \$59.4 million (allocated on a proportional basis to Indigenous services) provided for early childhood services.

⁹ [http://www.mceecdya.edu.au/verve/resources/IEAP_Stage_Two_Consultation_Draft_\(2\).pdf](http://www.mceecdya.edu.au/verve/resources/IEAP_Stage_Two_Consultation_Draft_(2).pdf)



3.1.2 Indigenous Public Sector Employment Strategy for non-Australian Public Service agencies

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
DEEWR	-	1.6	-	-	-

Source: Budget Papers.

\$1.6 million is provided in 2010-11 for initiatives to increase Indigenous employment across Commonwealth agencies that are not part of the Australian Public Service (APS). There are approximately 90 such agencies, including Australia Post and the Australian Federal Police.

Under the NP on Indigenous Economic Participation, the Commonwealth has committed to achieving a **2.7 per cent** target for Indigenous employment across the Commonwealth public sector, to reflect the Indigenous working age population share.

The Budget Papers state that this funding will be used to assess each agency's recruitment and retention strategies and to then make recommendations on how to attract and retain Indigenous staff. The Fact Sheets produced by FaHCSIA see this funding being used somewhat differently, to provide non-APS organisations with:

- assistance with capacity building in Indigenous employment;
- resource packs;
- guidance on planning and implementing an Indigenous employment strategy;
- a leadership panel for providing advice and promoting best practice; and
- means by which to monitor and report on the success of Indigenous employment strategies.

Arguably both things need to be done, and **\$1.6 million** will not go far.

3.2 Reform of the Community Development Employment Projects

On 19 December 2008, the Commonwealth Government announced reforms to the CDEP program. From 1 July 2009 CDEP no longer operates in non-remote locations where the economy is well established. Instead, services for Indigenous job seekers are provided by the Employment Services and the Indigenous Employment Program (IEP). A new Community Support Program assists Indigenous Australians in these locations to access a range of services.



Current participants in remote areas can access CDEP wages until 30 June 2011 to support their transition to the new arrangements. Current participants are required to move to income support after 1 July 2009 if they take a break from CDEP for more than 2 weeks, excluding approved leave. From 1 July 2009 all new CDEP participants in remote locations are not be eligible to receive CDEP wages, instead they may be eligible to receive an Income Support Payment.

The 2009-10 budget provided **\$202.4 million / 5 years** to reform CDEP and IEP. These reforms led to savings of **\$326.7 million**. Total funding of **\$529.1 million** was then redirected to:

- 400 government services traineeships and 60 land and sea management positions (**\$53.6 million / 4 years**);
- Ensuring the sustainability of more than 1,600 jobs already created in the Northern Territory (**\$203.1 million / 3 years**);
- Establishing a new national network of 87 Indigenous Community Support Service providers across 139 communities to link Indigenous people with community services including health, housing, childcare and drug and alcohol misuse (**\$60.2 million / 4 years**);
- Reforming the IEP (**\$190.6 million / 5 years**); and
- A Workplace English Language Literacy program (**\$21.6 million / 4 years**).

In this Budget CDEP Participation in the Torres Strait Islands is also reformed.

3.2.1 Reform of CDEP in the Torres Strait Islands

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
DEEWR	-	7.3	12.6	14.2	14.6
DEWHA	-	5.1	5.6	5.5	5.5
DoHA	-	2.2	2.7	2.8	2.6
Centrelink	-	0.6	1.4	0.8	0.8
Torres Strait Regional Authority	-	0.5	-5.6	-18.0	-17.7
FaHCSIA	-	-11.6	-17.7	-8.2	-5.7
Total	-	4.0	-1.1	-2.9	0.0

Source: Budget Papers.



\$44.3 million / 4 years is to reform the CDEP program in the Torres Strait Islands to being it in line with national reforms implemented in 2009. This funding comes from existing national community development funding (**\$38.5 million / 4 years**) and by pausing indexation of the national CDEP program from two years from 2010-11 (**\$5.8 million / 2 years**).

The reforms include the conversion of positions delivering Australian, Queensland or local Government services currently funded under CDEP to jobs offering award wages, access to superannuation, training and professional development. From 1 July 2010, 237 Australian Government positions will be formally converted. These positions cover the delivery of environmental and cultural management, aged care, sport, recreation, childcare and education services in the region. Queensland and local government positions will be converted from 1 July 2011.

3.2.2 CDEP – redirection

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
FaHCSIA	-	-3.0	-	-	-

Source: Budget Papers.

Funding for CDEP is reduced by **\$3.0 million** in 2010-11. The Budget Papers state that this money will be redirected to other government priorities. CDEP will retain **\$905.4 million / 4 years**.

One is left wondering what other little project (unidentified) needed \$3 million, and why the government apparently feels that CDEP funds can be raided as needed (**\$5.8 million** was also taken to meet the costs of the reform of the CDEP program in the Torres Strait Islands).

3.2.3 CDEP – indexation reform

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
FaHCSIA	-	-3.0	-	-	-

Source: Budget Papers.

From July 1, 2010, CDEP will be indexed by a Wage Cost Index (WCI) used by the Government for all programs with substantial wage costs. This will replace the current program indexation which is a combination of the Consumer Price Index (CPI) and the non-farm GDP deflator.



This is expected to produce savings of **\$9.3 million / 4 years**. Interestingly this provision does not mention the fact that indexation will be paused in 2010-11 and 2011-12 for additional savings of **\$5.8 million**. It's not clear if these savings are factored in to the figures in the table above.

3.3 Income Management

Income management was introduced in September 2007 as one of the measures of the NTER. It has since been rolled out to 73 prescribed communities and town camps. As of March 2009, 15,125 Centrelink clients were subject to income management, with **60 per cent** of these being female.

The latest government report on income management was released in 2009¹⁰ and seeks to evaluate the program to date. This report is reviewed elsewhere in this paper (see page 43). A recent paper published in the Medical Journal of Australia¹¹ found that income management appeared to have no effect on total store sales, food and drink sales, tobacco sales and fruit and vegetable sales. These findings challenge a central tenet of income management - that mandatory restrictions on expenditure will modify people's spending habits in a positive way. The findings are contrary to those of official government reports of improved healthy food and drink purchases in association with income management.

On 25 November 2009, the Government announced that it was introducing a new, non-discriminatory model of income management to replace the model now operating in prescribed areas of the Northern Territory. The commitment is that there will be future roll-outs to other locations around Australia, informed by the evidence gained in the Northern Territory and other income management trials currently underway in Western Australia and Queensland.

The rationale given for decision to apply income management to targeted groups across the whole of the Northern Territory included:

- research showing that **48 per cent** of all Northern Territory children aged up to 15 years old are in the bottom Child Social Exclusion quintile;

¹⁰ http://www.facs.gov.au/sa/indigenous/pubs/nter_reports/Documents/nt_eval_rpt/0_summary.htm

¹¹ http://www.mja.com.au/public/issues/192_10_170510/bri10090_fm.html



- the Northern Territory has 24 of the 50 most disadvantaged locations across Australia on the Socio-Economic Indexes for Areas index, and
- 2006 Census data show that the Northern Territory has the highest percentage of jobless families with children aged 15 years or younger (**20 per cent**). The Australian average is **14 per cent**.

The legislation underpinning new income management was introduced into the House of Representatives by the Minister on 25 November 2009. The legislation has been referred to a Senate Committee.

3.3.1 A new scheme of income management in the Northern Territory

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Centrelink	5.2	82.8	76.0	69.7	70.2
FaHCSIA	0.7	16.3	16.9	18.3	18.9
DHS	-	5.9	6.0	6.0	6.0
DEEWR	-	0.2	0.2	0.2	0.2
Total	5.9	105.2	99.1	94.3	95.4
<i>Related expenses</i>	2.5	2.0	-	-	-

Source: Budget Papers.

\$404.5 million / 5 years is for a new scheme of income management in the Northern Territory. The scheme was planned to commence 1 July 2010, but enacting legislation has not yet been passed. It is assumed that this funding also covers those already in the NTER scheme; funding for this was provided at **\$63.6 million** in 2008-09 and **\$103.8 million** in 2009-10. If this is the case, then the actual number of people in the Northern Territory participating in this scheme is not expected to increase over those already enrolled.

People will be subject to income management if they are:

- **Disengaged youth** aged from 15 to 24 years and have been in receipt of one of the following 'trigger payments' for at least 13 out of the last 26 weeks:
 - Youth Allowance;
 - Newstart Allowance;
 - Special Benefit; or
 - Parenting Payment.



- **Long-term welfare recipients** aged 25 and above (and younger than Age Pension age) and have been in receipt of one of the following 'trigger payments' for at least 52 out of the past 104 weeks:
 - Youth Allowance;
 - Newstart Allowance;
 - Special Benefit; or
 - Parenting Payment.
- **Referred by child protection authorities** if the child protection worker deems that income management might contribute to improved outcomes for children at risk. This measure of income management will allow for **70 per cent** of an individual's welfare payments to be subject to income management. This measure will apply at the discretion of a State or Territory child protection worker.
- **Vulnerable welfare payment recipients**, as assessed by a Centrelink Social Worker, to be experiencing issues such as financial hardship, domestic violence or economic abuse.

People subject to income management under the disengaged youth and long-term welfare recipient categories will be able to seek exemptions from Centrelink. The latter two measures will not be eligible for exemption pathways, despite having access to ongoing reviews and to appeal rights.

Voluntary income management will become available in the Northern Territory when the new model is rolled out. For people who volunteer, there will be an incentive payment of \$250 for each continuous six months of income management completed. The incentive payment will also be available to voluntary income management customers in Western Australia.

Disengaged youth, long term welfare payment recipients and individuals deemed vulnerable by Centrelink social workers will have **50 per cent** of regular instalment payments income managed. This rate will also apply to those who volunteer to be income managed. People referred for income management by child protection authorities will have **70 per cent** of their regular instalment payments income managed.

Once a person is subject to income management, the following payments will be subject to income management:



- all trigger payments listed above;
- Family Tax Benefit;
- Baby Bonus;
- Maternity Immunisation Allowance;
- Carer Allowance;
- Child Disability Allowance;
- Mobility Allowance;
- Pensioner Education Supplement;
- Double Orphan Pension;
- Social Security and DVA Telephone Allowance;
- Utilities Allowance;
- a payment under the Assistance for Isolated Children Scheme relating to Homelands Learning Centre students;
- ABSTUDY that includes an amount identified as Pensioner Education Supplement;
- Social Security and DVA Bereavement Payment, and
- Advance payments of most social security benefits, pensions and allowances, and some DVA service or income support payments and supplements.

3.3.2 Income management in cases of child neglect and by voluntary choice – continuation of trial

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Centrelink	-	10.9	-	-	-
FaHCSIA	-	6.5	-	-	-
Total	-	17.3	-	-	-

Source: Budget Papers.



\$17.4 million is provided in 2010-11 to continue the trial of income management in the Kimberley region and in Perth, Western Australia. This trial was commenced in November 2008. Previous funding in the 2009-10 Budget was for **\$13.2 million**. The trial will be amended to make it consistent with the new scheme of income management in the Northern Territory.

3.4 Housing

Much of Australia's Indigenous housing stock is in third world condition. Surveys taken in 2007 by the Australian Institute of Architects¹² revealed only 1 in 3 houses had a working shower, 1 in 20 a working kitchen, and 1 in 10 a safe electrical system. Only 1 in 2 houses had a working flush toilet. Of the 5,500 houses surveyed, **90 per cent** of issues were the result of faulty construction or lack of maintenance, and **10 per cent** through misuse or vandalism. At the time of the 2006 Census it was estimated that around 10,000 additional dwellings were required to tackle Indigenous housing disadvantage.

Commonwealth and State and Territory Government commitments to address this housing crisis must currently be seen as failing.

In the Northern Territory however, the unmet need in Indigenous housing in the Northern Territory is estimated at more than **\$2.0 billion**. The Strategic Indigenous Housing and Infrastructure Program (SIHIP) is a joint program between the Australian and Northern Territory Governments to design and construct housing in Indigenous communities. It builds on the housing provisions included in the NTER. With a budget of **\$672.0 million**, it has targets of 750 new houses, 230 re-builds (average \$200,000 each) and 2,500 refurbishments (average \$75,000) in the 73 prescribed NTER communities. This work is pending the establishment of long-term leases.

This is a completely inadequate commitment. SIHIP will provide new housing in only 16 of the larger communities out of the 73 prescribed communities. The other 53 communities will only have access to housing upgrades. An estimated 10,000 Indigenous people live outside the prescribed communities.

¹² <http://www.architecture.com.au/i-cms?page=10220>



Now the Commonwealth Government has quietly and radically shifted the boundaries of SIHIP. Only seven of the 16 communities that were to receive 750 new houses among them have signed long-term leases with the Commonwealth. These seven communities - Nguiu, Groote Eylandt townships, Wadeye, Maningrida, Gunbalanya and Galiwinku, as well as the Alice Springs town camps, - are set to receive 629 houses by 2013.

A further nine communities - Ngukurr, Numbulwar, Gapuwiyak, Milingimbi, Ramininging and Yirrkala in Arnhem Land, and Yuendumu, Hermannsburg and Lajamanu in central Australia - are yet to sign the long-term leases, which give security of tenure for housing investment. It would seem that these communities will be left to share just 129 houses – or more funds will be needed from the NP on Remote Indigenous Housing - which includes SIHIP as the "first tranche of funding". To date the Northern Territory has been allocated **\$1.7 billion / 10 years** from the **\$5.5 billion** NP agreement.

To date the roll-out has been impossibly slow. Newspaper reports in July 2009 first highlighted the widespread wastage and bureaucratic red tape that was strangling SIHIP, when it was revealed that as little as **30 per cent** of the housing funds would be spent on bricks and mortar.¹³ A review of the program found that after spending **\$43.0 million**, not one house had been built. Only 11 houses have been completed during the program's first 2.5 years.

Nationally the situation is little better, although the figures released by the Commonwealth indicate some progress, with 316 new houses built (target 320) and 828 refurbished (target 587) in 2009-10. Recently Families, Housing, Community Services and Indigenous Affairs Minister, Jenny Macklin, MP, revealed that many States have not delivered on their commitments under the NP, and some States have lost money as a consequence.¹⁴

Queensland, South Australia and Tasmania failed to meet their targets by 32 new houses in total. Queensland has lost \$3.1 million from its 2010-11 and 2011-12 funding allocations for failing to build 19 houses. South Australia has lost \$0.9 million, and a further \$0.34 million in funding to Tasmania has been quarantined until two homes are connected to the electricity supply.

Western Australian was rewarded with a \$4 million bonus for exceeding its targets with 78 houses built and 150 refurbished, exceeding its target for new houses by 3.

¹³ <http://www.theaustralian.com.au/news/town-camp-housing-plan-in-chaos/story-e6frg6po-1225756946583>

¹⁴ <http://www.theaustralian.com.au/politics/macklin-rewards-indigenous-housing-coup/story-e6frgczf-1225891861337>



The Northern Territory has built 67 houses and refurbished 344, exceeding its target for new houses by 7 and the refurbishment target by 192. (It is unclear how this figure aligns with that quote earlier of 11 houses completed).

The NP on Remote Indigenous Housing was renegotiated last December when it became clear that progress was too slow to meet the targets.

Housing programs in Indigenous communities have focused largely on achieving good standards of infrastructure function. A recent paper looked at the impact of this approach, on child health in remote communities and found that such programs lead to:

1. a small non-significant decrease in the mean number of people per bedroom;
2. a marginally significant overall improvement in infrastructure function scores; and
3. no clear overall improvement in hygiene.

It recommended that a broader approach focusing on improving access to health hardware, hygiene promotion and creating a broader enabling environment was necessary if potential health benefits are to be maximised.¹⁵

3.4.1 Home Ownership program – transfer of funding from the Home Ownership on Indigenous Land program

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
Indigenous Business Australia	-	15.3	1.0	1.1	1.2
<i>Related revenue (IBA)</i>	-	-0.3	-	0.30	0.7

Source: Budget Papers.

Unutilised capital of **\$56.0 million** will be temporarily transferred from the Home Ownership on Indigenous Land program into the Home Ownership program while further land tenure reform takes place on Indigenous land in remote communities. This transfer has no impact on the fiscal balance other than the net interest impact of providing additional concessional loans which is **\$18.0 million / 5 years**.

¹⁵ <http://jech.bmj.com/content/early/2010/05/11/jech.2009.091637.abstract>



The Home Ownership program is focused on Indigenous first home buyers who have difficulty in obtaining home loan finance from mainstream commercial lenders. This measure will allow approximately 250 additional loans for families and individuals, the majority of whom live in urban and regional areas.

3.4.1.1 Aboriginal Hostels Limited – upgrades and repairs

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
FaHCSIA	-	6.9	-	-	-

Source: Budget Papers.

\$6.9 million is provided as a capital injection to Aboriginal Hostels Limited (AHL) in 2010-11 to undertake necessary repairs to a number of its hostels.

AHL is the largest provider of affordable temporary accommodation to Indigenous Australians. AHL provides 3,000 beds and 9,000 meals every day to Indigenous people staying at the hostels that it operates or funds through its community grants program. More than half of the Indigenous people who stay in these hostels are children.

3.5 Health

The information given in Budget Paper No 1 shows that the Commonwealth Government estimates it will spend **\$711.0 million** on Indigenous health in 2010-11 (see Table 1). It is not clear if this figure includes funds from the NPs that are committed to Indigenous health. If it does not, then the spending rises to **\$1.1 billion** in 2010-11 (from Tables 1, 2 and 3). Even at this higher level, the funding commitment is only **2 per cent** of total Commonwealth spending on health – a fraction which represents approximately the Indigenous percentage of the population. It is very difficult therefore to argue that the spending on Indigenous health is proportionate to need.

Table 4: Estimates of health expenses

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m	\$m
ATSI health	523	642	711	707	678	701
Total health	49,039	52,786	56,880	71,958	75,761	80,085
<i>% of total health spending on ATSI health</i>	1.07	1.22	1.25	0.98	0.89	0.87

Source: Budget Papers.



Indigenous-specific NPs for health will provide **\$306.8 million** in Commonwealth funding in 2010-11 and **\$992.1 million / 5 years**. That in fact amounts to around **\$200.0 million / year**.

There is nothing in the **\$7.3 billion** health and hospitals reform package specifically for Indigenous health, and there is nothing in the 2010-11 Budget to advance the cause of 'Closing the Gap'. There is continued funding provided for two current programs (albeit at reduced levels over previous commitments), but no new funds.

3.5.1 Combating petrol sniffing – expanding the supply and uptake of Opal fuel

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
DoHA	-	6.0	8.2	12.1	12.2

Source: Budget Papers.

\$30.5 million / 4 years is provided to reduce the community impacts of petrol sniffing by expanding the voluntary roll-out of Opal fuel. This measure is described as providing expanded storage and distribution capacity in Darwin and Northern Queensland, and to make Opal fuel available at an additional 39 sites around 11 communities in the Northern Territory, Queensland and Western Australia. It also includes funding for a communications strategy.

However it appears that the Government is expecting to do more with less in this important area. The 2006-07 Budget had previously provided **\$55.2 million / 4 years** for this work, in addition to **\$12.0 million** to support the roll-out of Opal fuel in Alice Springs. Thus, at **\$6.0 million**, the 2010-11 funding for this initiative is only **38 per cent** of that in 2009-10.

3.5.2 Addressing domestic violence – continuing training for health workers in regional and remote areas

Funding of **\$1.8 million** in 2010-11 is included in the forward estimates to continue to provide incentives and support payments for practice nurses and Aboriginal Health Workers in regional and rural areas to undertake training to help them recognise the signs of domestic violence and to make appropriate referrals to community resources.

While this provision is not specifically targeted to Indigenous communities, the rate of family violence victimisation for Indigenous women may be as high as 40 times the rate for non-Indigenous women.



3.6 Early Childhood

Whilst there are no Indigenous-specific programs targeted at early childhood services, the Budget Base Funded (BBF) Childcare Services program has a central focus on addressing Indigenous needs so has been included in **Macroeconomics'** Commonwealth Indigenous Budget Bulletin July 2010.

3.6.1 Budget Base Funded Childcare Services – improved standards

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
DEEWR	-	10.9	17.5	18.2	12.9

Source: Budget Papers.

\$59.4 million / 4 years is provided to improve the infrastructure, governance and workforce of around 140 centre-based Budget Base Funded (BBF) early childhood services (including around 100 Indigenous services). BBF services are predominantly located in rural, remote and Indigenous communities and in many communities, BBF services are the sole provider of early childhood education and care services.

3.7 Culture

3.7.1 Business Skills for Visual Artists (National Arts and Craft Industry Support element) – continuation

\$4.0 million / 4 years is provided from the forward estimates to continue the National Arts and Crafts Industry Support (NACIS) program. This is considerably less than previous funding which is described as around \$8 million / year.¹⁶

This program provides direct funding to Indigenous art and craft centres, and art support and advocacy organisations to assist Indigenous artists with professional development, business skills training and access to the commercial marketplace.

The FaHCSIA Fact Sheet states that this measure will benefit over 80 Indigenous-owned arts centres that directly support over 5,000 Indigenous artists, the majority based in remote communities.

Art provides a mechanism for Indigenous people to engage with the mainstream economy. In many remote communities, art sales are the main source of non-Government income.

¹⁶ http://www.dfat.gov.au/facts/arts_support.html



The 2007 Senate Inquiry *Indigenous Art - Securing the Future* found that participation in the visual arts plays a vital role in supporting the maintenance and transmission of culture, intergenerational learning, and improved levels of community cohesion, health and wellbeing. So it is disappointing to see this decrease in funding for such an important activity.

3.7.2 Continuation of funding for National Indigenous Television

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
DEEWR	-	15.2	-	-	-

Source: Budget Papers.

\$15.2 million is provided in 2010-11 for National Indigenous Television (NITV) to continue operations for 1 year. The Budget Papers describe this as ‘providing certainty to the organisation for the immediate future’ while the Australian Government assesses its investment in the Indigenous broadcasting and media sector more widely.

In fact there has been little certainty for NITV during its short life. It was initially funded for \$48.4 million / 4 years. With this funding due to lapse on 30 June 2010, a terminating program review¹⁷ was undertaken by a consultant in late 2009.

That report found that NITV has gone from a fledgling start-up to a successful medium size organisation operating a nationally-distributed Indigenous television service broadcasting an average of approximately 22 hours of programming per day. NITV has acquired and commissioned over 1,730 hours of Indigenous first-run content over 2 years of content production. However, with the limited resources at its disposal, NITV’s filling of its schedule necessarily relies heavily on repeat programming (around 80 per cent of total air-time). Survey data indicate that a supportive Indigenous audience of around 200,000 watches NITV at least once a week.

The reach of NITV’s signal is limited to terrestrial and satellite ‘direct to the home coverage’ of Imparja’s Channel 31 (through which it gets to 147 remote communities), households subscribing to pay TV services and Sydney households with access to the digital datacasting trial services.

Now NITV will be reviewed again before further funding commitments are made.

¹⁷ http://www.arts.gov.au/data/assets/pdf_file/0018/90441/nitv-exec-summary-final-report.pdf



3.7.3 Establishment of National Congress of Australia's First People

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
FaHCSIA	3.0	6.2	6.8	8.3	4.9

Source: Budget Papers.

\$29.2 million / 5 years is provided to establish the National Congress of Australia's First People. This national representative body will enable Aboriginal and Torres Strait Islander people to engage directly with the government on policy development and the performance of Government programs.

This represents the Government's response to the Australian Human Rights Commission report "Our Future in Our Hands: Creating a Sustainable Representative Body for Aboriginal and Torres Strait Islander Peoples".

The funding for this measure comes from cuts in the funding of the Indigenous Communities Strategic Investment Program.

3.8 Justice, Policing and Addressing Violence

3.8.1 National Indigenous Violence and Child Abuse Intelligence Task Force – continuation

\$6.6 million / 2 years is provided to enable the Australian Crime Commission's National Indigenous Violence and Child Abuse Intelligence Task Force to continue to investigate patterns of violence, serious crime and abuse of power and trust in remote Indigenous communities, especially in relation to children.

3.8.2 Improving access to justice

\$34.9 million / 4 years is provided for Indigenous legal services as part of a \$154.0 million investment to boost legal services generally. This funding will support a more strategic approach to legal assistance service delivery with the focus on early intervention and resolving disputes before they get to court.

3.8.3 Northern Territory policing presence – staged transition

An additional **\$9.2 million / 2 years** is provided for additional Australian Federal Police to support remote communities during the transition period as new Northern Territory Police are trained and deployed. This builds on the **\$156.6 million** provided in the



2009-10 Budget to enable the Northern Territory Government to replace Australian Federal Police officers deployed in remote communities and to provide further support for the additional police presence established as part of Closing the Gap in the Northern Territory.

3.9 Other Initiatives

3.9.1 Indigenous Communities Strategic Investment program

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
FaHCSIA	-1.7	-15.5	-15.8	-12.6	-2.6

Source: Budget Papers.

\$48.3 million / 5 years is cut from the Indigenous Communities Strategic Investment (ICSI) program. These funds are used to establish the National Congress of Australia's First People and a flexible funding pool for the NP on Remote Service Delivery.

This leaves **\$78.0 million** over the forward estimates in this program.

The ICSI program was established by the Howard Government. It initially contained the following components:

- Combating Petrol Sniffing.
- Indigenous Affairs Litigation.
- Shared Responsibility Agreements Implementation Assistance Program.
- Family and Community Network Initiative.

Funding in 2007-08 was \$28.8 million. It is not clear if this included current funding (boosted in this Budget) for combating petrol sniffing.

3.9.2 Remote Service Delivery NP Flexible Funding Pool – establishment

	2009-10	2010-11	2011-12	2012-13	2013-14
	\$m	\$m	\$m	\$m	\$m
FaHCSIA	-	17.0	17.0	12.0	-

Source: Budget Papers.

\$46.0 million / 3 years is provided to respond flexibly and quickly to high priority needs identified in the 29 Remote Service Delivery NP priority communities. Most of these funds come from cuts made to the ICSI program.



The 29 communities are:

- **Western Australia:** Fitzroy Crossing and surrounding communities, Halls Creek and surrounding communities, and the Dampier Peninsula (with a focus on Beagle Bay and Ardyaloon).
- **Northern Territory:** Angurugu, Galiwinku, Gapuwiyak, Gunbalanya, Ntaria (Hermannsburg), Lajamanu, Maningrida, Milingimbi, Nguiu, Ngukurr, Numbulwar, Wadeye, Yirrkala, Yuendumu and Umbakumba.
- **South Australia:** Amata and Mimili in the Anangu Pitjantjatjara Yankunytjatjara Lands.
- **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.
- **New South Wales:** Walgett and Wilcannia.

This measure builds on the Local Priorities Fund which was established under Closing the Gap in the Northern Territory in order to flexibly address local needs such as environmental health and safety, community information technology equipment and essential maintenance and repairs for community facilities. It also responds to a key recommendation from the first report of the Coordinator-General for Remote Indigenous Services about the need to ensure flexibility in delivering programs to benefit Indigenous Australians.

3.9.3 Indigenous Land Corporation – new funding arrangements

From 1 July 2010 the Indigenous Land Corporation (ILC) will receive a regular funding stream of **\$45 million / year** (indexed to the CPI) from the ATSI Land Account. The ILC was established to assist in the acquisition of land for people unlikely to achieve Native Title rights.



4 Restoration of the Racial Discrimination Act

The Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, MP, introduced the *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009* into the Parliament on 25 November, 2009. In her second reading speech, the Minister stated that the Bill was intended to honour the Government's commitment to reinstate the *Racial Discrimination Act* (RDA) in relation to the NTER. The Minister stated that “the Government believes that all NTER measures are either special measures under the RDA or non-discriminatory and thus consistent with the RDA”.

The NTER legislation introduced in 2007 by the Howard Government included provisions that suspended the operation of the RDA. Specifically this was done by exempting the NTER measures from Part II of the RDA, which is the section prohibiting racial discrimination and by deeming the NTER measures to be 'special measures' and hence exempt from the general prohibition on racial discrimination.

The NTER Review Board reported to the Rudd Government in October 2008. The Review Board made 3 overarching recommendations in its report, which were that:

- the Australian and Northern Territory Governments recognise as a matter of urgent national significance the continuing need to address the unacceptably high level of disadvantage and social dislocation being experienced by Aboriginal Australians living in remote communities throughout the Northern Territory;
- in addressing these needs both Governments acknowledge the requirement to reset their relationship with Aboriginal people based on genuine consultation, engagement and partnership; and
- Government actions affecting the Aboriginal communities respect Australia's human rights obligations and conform to the RDA.

In October 2008, the Government announced that it accepted each of the Review Board's 3 overarching recommendations, and committed to introducing legislation into the Parliament to remove the provisions that exclude the operation of the RDA.



The *Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009*¹⁸ was passed by the House on 24 February 2010. It was referred to the Senate Community Affairs Legislation Committee in November 2009, and the Committee report was delivered in March 2010.¹⁹ The Bill was passed by the Senate on 21 June 2010 and signed into law on 29 June 2010.

¹⁸ <http://www.aph.gov.au/Library/pubs/bd/2009-10/10bd094.pdf>

¹⁹ http://www.aph.gov.au/senate/committee/ciac_ctte/soc_sec_welfare_reform_racial_discrim_09/report/report.pdf



5 Update on the Northern Territory Intervention

It is now three years since the NTER was instigated in June 2007. It is not clear how successful this has been in meeting its goals.

The *Closing the Gap in the Northern Territory Monitoring Report* for July – December 2009 was released in June 2010 and documents what has been achieved. A summary follows.

5.1 Early Childhood and Childcare

Location supported playgroups: Between 1 July and 31 December 2009, 54 children and 55 parents/caregivers participated in locational supported playgroups.

Intensive support playgroups: Between 1 July and 31 December 2009, 106 children and 72 parents/caregivers participated in two intensive support playgroups in Katherine and Tennant Creek.

Northern Territory crèches: The Government committed to construct 9 new crèches and upgrade 13 existing crèches under the NTER. As at 31 December 2009, 8 of the 9 new crèches were complete and 5 were operational. 11 of the 13 upgrades were also completed.

5.2 Parenting Programs

Let's Start program: In the period 1 July to 31 December 2009, 18 parents/caregivers and 16 children participated in the (Invest to Grow) Let's Start: Exploring Together for Indigenous Preschools Program.

Parenting: Core of Life program: In 2009, 85 parents/caregivers participated in the (Invest to Grow) Core of Life's 'Pregnancy, Birth, Breastfeeding and Early Parenting' Program and 417 youth have been assisted.

While clearly some progress has been made in these early childhood programs, participating numbers seem very small.



5.3 Schooling

School attendance: The average attendance rate for schools in the NTER communities was **62 per cent** in December 2009 up from **60 per cent** in December 2008. The average school attendance rate in December 2007 was **63 per cent**.

School nutrition program: As at December 2009, 65 schools (60 Government, 5 non-Government) across 73 prescribed communities were supported by the School Nutrition Program (SNP). An estimated 2,627 breakfasts and 4,461 lunches are provided each school day (7,088 meals in total). Over 200 people are directly employed by the SNP program in meals delivery, of whom 161 (**78 per cent**) are local Indigenous people.

Teaching Staff: At 1 February 2010, 140.5 full-time equivalent additional teachers have been funded by the Commonwealth and deployed by Northern Territory education providers.

Teacher Housing: The Commonwealth and the Northern Territory Governments have committed funding to build up to 50 additional houses for teachers in the Northern Territory. This is in addition to the Commonwealth's existing commitment to build up to 10 new houses for teachers in Wadeye.

Quality Teaching Package and Enhancing Literacy: From 2007 to 2009, the Commonwealth Government has invested **\$25.2 million** to improve Indigenous literacy and numeracy outcomes and up-skill local Indigenous education workers in the Northern Territory.

While there has been considerable investment in staff and resources for teachers, this will not be successful until commitments on teacher housing are delivered.

The school meal program seems to be operating successfully, but there is no information as to whether this has improved children's health and school performance.

School attendance rates remain unchanged, so ultimately the money invested to date cannot be seen as generating returns.

5.4 Health

Remote Area Health Corps: In the period 1 July to 31 December 2009, the Commonwealth provided funding to the Remote Area Health Corps to place 173 health professionals throughout the Northern Territory on short to medium-term placements – 23 GPs, 95 nurses, 13 allied health professionals and 42 dental personnel.



Child Health Services: The following proportions on children with specific referrals for follow-up have been seen at least once (up to 31 December 2009):

- **46 per cent** (592) of 1,291 children referred for audiometry;
- **49 per cent** (1,594) of the 3,223 children referred for dental; and
- **50 per cent** (811) of the 1,625 children referred for ENT.

Northern Territory Mobile Outreach Service Plus made 110 visits to 66 communities delivering 184 case related and 413 community education and professional development services to Aboriginal children, families and community members.

Drug and Alcohol Services: 14 Alcohol and Other Drug (AOD) positions funded in 6 Aboriginal Medical Services; and 8 ongoing AOD positions and one project manager position funded in 4 Aboriginal Medical Services and four Northern Territory Department of Health and Families centres.

Food Security and Community Stores: At 31 December 2009, a total of 88 community stores have been licensed. A total of 190 monitoring visits to community stores were undertaken from 1 July to December 2009. In the period July to December 2009, one community store's license was revoked.

It's not possible to know from this numerical data whether all necessary health needs have been met and whether there has been an improvement in Indigenous health and health outcomes.

The report shows that while there has been a decrease in overall hospital separations for children aged 0-5 since 2006-07, there has been an increase in children hospitalised for respiratory and oral diseases, assault and malnutrition, which is disconcerting.

Less than 50 per cent of children get follow up care for hearing, dental and ENT problems.

5.5 Economic Participation and Welfare Reform

Jobs Package: At December 2009, Commonwealth agencies and the Northern Territory Government confirmed that a total of 2,211 jobs had been funded under the Job Package since the introduction of the NTER. This number is composed of 1,757 jobs in Australian Government service delivery and 454 in local government service delivery.

Income management: As at 18 December 2009, there were 16,695 income management customers in the Northern Territory and **\$272.3 million** being income managed.



BasicsCard: As at 18 December 2009, **96 per cent** (16,085 out of 16,695) income managed customers had an active BasicsCard.

Youth Diversion: 4 projects previously funded under the NTER Youth Alcohol Diversion measure have been identified for continuation of funding under the Youth In Communities measure in 2009-10.

Language, Literacy and Numeracy Program: Between 1 July and 31 December 2009, there were 240 referrals to Language, Literacy and Numeracy program in NTER communities. Of these referrals 70 eligible job seekers have commenced training.

Working on Country in the Northern Territory: As at 16 April, over 180 rangers across 30 Northern Territory communities were contracted through key Aboriginal organisations, delivering services on Indigenous-held or leased lands.

While 2,211 jobs have been created, it is not clear how this reflects in the light of CDEP positions lost. The unemployment rate for Indigenous people in the Northern Territory is still the highest in Australia, and it will require a sustained effort to address this.

5.6 Land Reform

Five year leases: The Australian Government currently holds 5-year leases over 64 NTER communities. On 25 May 2010 the Commonwealth started paying rent (including back payments) to Indigenous land owners for 5-year leases covering 45 communities.

Leasing Arrangements: Long term leases have been finalised or agreed in principle in 14 of the 16 SIHIP communities receiving major capital works.

5.7 Safe Communities

Police Presence: At 25 January 2010, there were 62 additional police (compared to the number prior to the NTER) deployed in communities.

Confirmed Incidents: The number of alcohol related incidents recorded by police in NTER communities increased by **12 per cent** between 2007 and 2008 and **31 per cent** between 2008 and 2009. Substance abuse incidents increased by over **50 per cent** between 2007 and 2008 and by **8 per cent** between 2008 and 2009. From 2007 to 2009 there has been a **75 per cent** increase in the number of domestic violence incidents recorded by police in the NTER communities. The number of convictions for assault across the NTER communities rose from 347 in 2007 to 445 in 2009 (a **28 per cent** increase).



Child Safety: The total number of confirmed incidents of child abuse in the NTER communities rose, from 106 in 2007 to 275 in 2009. The number of convictions for child sexual assaults committed in the NTER communities in 2008 was 9 and in 2009 it was 10. Since July 2007, 4 non Indigenous people and 23 Indigenous people have been convicted for child sexual assault.

Mobile Child Protection: In the period July to December 2009, Mobile Child Protection Workers visited 45 of 73 prescribed communities. They were involved in investigating and providing follow up services in 444 matters and 34 children were made subject to care orders.

Remote Aboriginal and Community Workers: In the period July to December 2009 there were 122 referrals from individuals and families in the NTER communities, 107 referrals from community services regarding child protection issues and 214 referrals from the Northern Territory Department of Health and Families.

Night Patrol: As at December 2009, there were 80 active night patrols in 80 communities. During the period July to December 2009, approximately 550 people were transported to a recognised safe house by an Australian Government funded night patrol service.

Safe Places: As at December 2009, 22 Safe Places were fully operational.

Alcohol Management: Alcohol Management Plans are in place in Alice Springs, Tennant Creek, Palmerston and Katherine and a liquor supply plan is in place in Groote Eylandt. Consultations have commenced with other communities.

Incidents involving alcohol and drugs and of assault have increased, as have the number of confirmed incidents of child abuse. This could be because of increased policing and reporting.

A study undertaken for the North Australian Aboriginal Justice Agency and the Central Australian Aboriginal Legal Aid Service, based on 331 surveys of Aboriginal people in 14 communities, concluded that 'nearly half of people said that alcohol and violence was less of a problem in their community because of the police.' The study also concluded that three quarters of people wanted police living in their community.

Legal Services: Between 1 July and 31 December 2009, legal service providers handled approximately 381 NTER related matters, including 160 advices, 43 duty lawyer services, 178 cases, and undertook 160 outreach visits to communities.



Local Priorities Fund: 181 projects totalling **\$10.1 million** have been approved for funding. Local Priorities Fund provides streamlined access to flexible funding to address urgent needs in prescribed communities that fall outside the guidelines of established programs. 49 of these projects are in Remote Service Delivery communities, 16 are in Territory Growth Towns and 116 projects are approved in other communities. Funded projects fall under the following categories:

- refurbishment of community facilities;
- community safety;
- environmental improvements;
- child safety; and
- community recreation areas.

5.8 Governance and Leadership

Government Business Managers: As at 30 December 2009, there were 56 Government business managers servicing 73 NTER communities, 35 town camps, and 1 community that are not prescribed under the NTER Act.

Northern Territory Indigenous Interpreters: Between July and December 2009 there were approximately 280 people available to provide interpreting services in the NTER communities and 2,899 interpreting sessions were delivered by trained interpreters: a **12 per cent** increase from the first 6 months of 2009. In this same period 3,114 people sought access to an interpreter.

Indigenous Engagement Officers: During the period 1 July 2009 – 31 December 2009 there were 26 Indigenous engagement officers in 26 communities across the Northern Territory.

Commonwealth Ombudsman: Between July and December 2009, complaints about the NTER and other programs in the Northern Territory totalled 147. These were gathered almost exclusively as a result of 14 visits to 12 communities and 1 homeland area, and 5 visits to 4 town camps. The most common complaints were regarding housing issues, followed by income management.



6 Report on the Evaluation of Income Management in the Northern Territory 2009

Income management was introduced in September 2007 as one of the measures of the NTER. It involves **50 per cent** of certain income support and family payments being held back to ensure this money is spent on priority items such as food, housing, clothing and utilities. These funds cannot be used for excluded items such as alcohol, cigarettes, pornography or gambling. Clients, in consultation with Centrelink, then allocate these income managed funds to priority areas of their choosing – for example to the BasicsCard for food and other essential items, to the automatic payment of rent and utilities.

Income management was rolled out to 73 prescribed communities and town camps between September 2007 and October 2008. As of March 2009, 15,125 Centrelink clients were subject to income management, with **60 per cent** of these being female.

The latest government report on income management was released in 2009²⁰ and seeks to evaluate the program to date. The sources for the report come primarily from the consultation process conducted in mid-2009. This consisted of 76 face-to-face interviews with income management clients as well as focus groups involving 167 stakeholders (community representatives plus community sector and Government employees). Three other sources of research (where some information about the effectiveness of income management was collected) were also used; a telephone survey of 66 community store operators, a survey of 49 Government business managers and an earlier qualitative report on community consultations.

The report is transparent with regards to the limitations of the available data and clearly outlines what these shortcomings are. It acknowledges that on the hierarchy of evidence, this data on income management sits towards the bottom, with the sample size being small, the data being based on perceptions and not having additional empirical support and the interviewees not being randomly selected. The lack of a comparison group or baseline data is also a significant issue as it prevents assessment of what would have happened in the absence of income management. In addition, as income management was

²⁰ http://www.facs.gov.au/sa/indigenous/pubs/nter_reports/Documents/nt_eval_rpt/NT_eval_rpt.pdf



implemented as part of a series of measures under the NTER it is difficult to identify what can be attributed to this program alone.

It is also worth noting that the 76 interviews were conducted in 4 locations and that views varied significantly by location. In 2 locations the majority of participants had a positive view of income management, while in the other 2 locations the majority had a negative view. The reason for this is not clear and highlights further the problems of using such a small sample size.

The evaluation of the program is structured around 6 key questions:

1. How well was income management implemented and administered?
2. Was more individual/family income being spent on priority needs?
 - (a) Has there been an improvement in food security and food choices?
3. Was less individual/family income being spent on excluded items and/or harmful behaviours?
4. Has people's capacity to manage money improved?
5. Has the wellbeing of children, families and communities improved?
6. What other issues were identified by the evaluation?

In terms of implementation and administration, the initial high levels of confusion regarding income management have reduced over time, however even in the most recent consultations there were still a significant number of clients (**39 per cent**) who could not explain the purpose of income management. Perceptions of the program appear to have become more positive over time, as initial views on income management were tied up with overall concerns of the NTER being unfair and discriminatory. In the consultations, two thirds of people saw income management as positive.

The introduction of the BasicsCard in late 2007 appears to have helped the process of income management as it is easier to use than store vouchers/fund transfers. However problems still remain, in particular the ability to check funds quickly and on short notice in order to keep track of payments and remaining balances.

Changes in expenditure patterns have been reported with **68 per cent** of store operators seeing an increase in fruit and vegetable sales and **47 per cent** seeing an increase in clothing sales. **75 per cent** of income management clients reported spending more on food and **58 per cent** reported spending more on clothing. Some focus group participants said



that the types of food being consumed had not changed although the quantity and consumption frequency had improved, and **57 per cent** of clients said they were consuming more fruit and vegetables.

The majority of clients said that alcohol and drugs were not applicable to them, while over half reported spending less on gambling and cigarettes. Findings from the focus groups support less spending on cigarettes, alcohol, drugs and gambling. However many clients use most of their non-income managed money to buy cigarettes and some focus groups participants indicated that people find ways around income management such as using food, clothing and the BasicsCard as currency for gambling instead.

Improvement in money management is very difficult to assess based on the data collected and the report looks at surrogate measures such as more than half of people saying that the payment of rent and bills was easier, **33 per cent** reporting the purchase of a big or expensive item and **39 per cent** saying they had saved money since being on income management. The ability to handle long-term financial planning, budgeting and money management is something many of the focus group participants felt was still lacking.

Focus groups were positive about the improvement in children's wellbeing and over half of income management clients who were parents reported that their children were eating more, were healthier, weighed more and were going to school more regularly. Similarly, community wellbeing, with less humbugging, domestic violence, addictive behaviours and gambling, was reported to have improved, while reports on family wellbeing were mixed. While these perceptions are not necessarily an accurate reflection of actual child and community wellbeing (as they are subjective impressions only), they do show that the members of the community are seeing positive changes as a result of income management.

The two other issues that the report includes are the impact of income management on mobility and the sharing of resources. The implementation of the BasicsCard appeared to address the key difficulty of income management with regards to mobility – the ability to use income managed funds when clients travelled to areas outside of their community. In addition, some clients found it easier to travel in general, as income management made it easier to purchase fuel and air travel. However some focus group participants suggested that the flexibility of the BasicsCard should be increased so that it could be used to pay for transport including taxis. The sharing of resources within families and clan groups is a traditional cultural practice and the reduction in cash has impacted this practice although



38 per cent of clients say that they have shared their BasicsCard in spite of this breaching regulations.

The report concludes that several of the concerns around the initial implementation of income management had been addressed by the time of the 2009 consultations, through improvements such as the BasicsCard and improved communication. However some of these reported improvements may be due to increasing familiarity with the scheme, as those affected become used to dealing with it on a daily basis and start to perceive benefits. Importantly, the program of income management has been evaluated based mostly on the perceptions of those involved – little, if any, data is objective and thus conclusions about income management must necessarily be limited to the communities' reception of it rather than objective, quantifiable benefits.