



**Reconciliation**  
A U S T R A L I A

**22 August 2014**

**Submission to the Senate Select  
Committee Inquiry**

*Abbott Government's Budget Cuts*

## Introduction

Reconciliation Australia is the national organisation promoting reconciliation between the broader Australian community and Aboriginal and Torres Strait Islander peoples. Our vision is to build an Australia that is reconciled, just, and equitable for all. To do so, we are dedicated to building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and other Australians. We believe a reconciled Australia is one where:

- There are strong two-way relationships between Aboriginal and Torres Strait Islander and non-Indigenous Australians;
- Aboriginal and Torres Strait Islander history, cultures and rights are a proud part of our everyday life;
- Our national wellbeing is enhanced by Aboriginal and Torres Strait Islander strength and prosperity;
- The collective identities of Aboriginal and Torres Strait Islander peoples are recognised and respected.

Reconciliation Australia believes ongoing government investment is critical if we are to achieve parity between Aboriginal and Torres Strait Islander people and non-Indigenous Australians. We acknowledge Australia's tight fiscal environment and the need to establish sustainable spending programs. However, the need for reconciliation and closing the gap has not lessened, and extensive cuts to Aboriginal and Torres Strait Islander organisations and programs will threaten the momentum towards these national priorities.

Our submission to the Senate Select committee concentrates on funding cuts to Indigenous Affairs, and specific program cuts within this portfolio. Reconciliation Australia believes the current levels of funding across the Indigenous Affairs portfolio should be maintained, and that there should be commitment to long-term funding strategies, in order to produce effective programs and solutions. We also believe it is crucial to support a strong representative voice for Aboriginal and Torres Strait Islander Australians in the form of the National Congress of Australia's First Peoples. Finally, while we are strong supporters of effective and efficient government spending, we propose that any reallocation of funding within Indigenous Affairs should be based on evidence of underperformance, and program investment is not re-directed until a review has been conducted. We mention some of the effective and impactful programs that have already been cut under the current budget, and advocate for their funding to be reinstated. We note that this is not an exhaustive list, but merely serves to highlight the important work being done within Indigenous Affairs, much of it being led by Aboriginal and Torres Strait Islander people and organisations. It is crucial to ensure a proper review process is followed, if funding is to be removed from organisations and programs.

Therefore, with regards to the Senate Select Committee's Terms of Reference, this submission directly addresses:

- a) any reductions in access to services provided by the Commonwealth;
- b) the provision of other services, programs or benefits provided by the Government affected by the budget;
- c) Commonwealth – state relations and the impact of decreased Commonwealth investment on service delivery by the states.

## **Key Recommendations**

Reconciliation Australia believes:

- 1) The overall level of funding in Indigenous Affairs be maintained at the levels pre-2014-15 Budget;
- 2) Funding for the National Congress of Australia's First Peoples must be reinstated until the representative body is well-established and self-sustaining;
- 3) If funding to Aboriginal and Torres Strait Islander programs is to be reduced, it is crucial to ensure a strong evaluation process is followed, in order to best direct government funding.

## Maintain levels of funding within Indigenous Affairs

There has been progress made towards addressing the many disadvantages faced by Aboriginal and Torres Strait Islander people within Australia. However, First Australians remain likely to die younger, live in disadvantaged neighbourhoods, be incarcerated, be unemployed, and have lower levels of literacy than non-Indigenous Australians.<sup>1</sup> Without ongoing government investment, it will be impossible to address these gaps in life outcomes and opportunities. Achieving equal life chances for Aboriginal and Torres Strait Islander people needs to be an objective that unites the nation, and Aboriginal and Torres Strait Islander programs must be viewed as a funding priority. Therefore, any savings within the portfolio should be reinvested into other Indigenous programs.

The 2014-15 Budget allocated \$4.8 billion to Indigenous programs, which is strongly supported by Reconciliation Australia. However, contained within that same Budget, was \$543 million in cuts to the Indigenous Affairs portfolio. It has been stated by the Federal Government that these savings will come as a result of program consolidation and streamlining. Reconciliation Australia strongly advocates for the \$543 million to be reinvested in programs which address the needs of the most vulnerable First Australians.

Funding cuts have significant potential to disadvantage programs, communities and individuals working within Indigenous Affairs. The damage that can be done by reduced funding in this area is real, and negative changes can occur quickly. We must not lose the momentum that we have built towards achieving Aboriginal and Torres Strait Islander equality, as there are still many improvements that need to be made. As such, it is critical to maintain the current levels of funding within Indigenous Affairs.

The wide range of factors impacting on Indigenous disadvantage require a holistic funding approach from governments if equality is to be achieved. This includes funding programs in areas such as law, justice, governance and leadership. To ensure quality programs and outcomes, the underlying principle for all funding should be to work closely and co-operatively with Aboriginal and Torres Strait Islander organisations and communities, to improve capability and the likelihood of successful and sustainable programs. Ultimately, Federal Government funding has a direct and powerful impact on the lives of Aboriginal and Torres Strait Islander people, and should not be moved away from the portfolio without seeing significant improvements in the lives of Aboriginal and Torres Strait Islander Australians.

**Recommendation 1) The overall level of funding in Indigenous Affairs be maintained at the levels pre-2014-15 Budget.**

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<sup>1</sup> 3302.0.55.003 - Life Tables for Aboriginal and Torres Strait Islander Australians, 2010-2012, Australian Bureau of Statistics. Released 15 November 2013; Biddle, N. 'CAEPR Indigenous Population Project: 2011 Census Papers', Paper 13: *Socioeconomic outcomes*. Centre for Aboriginal Economic Policy Research. Released October 2013; 4512.0 - Corrective Services, Australia, September Quarter 2013, Australian Bureau of Statistics. Released 21 November 2013; COAG Reform Council. Indigenous Reform 2011-12: Comparing performance across Australia. Report to the Council of Australian Governments. Released 30 April 2013

## **Reinstate funding for the National Congress of Australia's First Peoples**

The 2014-15 Budget announced that ongoing funding to the Aboriginal and Torres Strait Islander representative body, the National Congress of Australia's First Peoples (Congress), would be discontinued. Reconciliation Australia believes that this funding change will have a negative effect on all Aboriginal and Torres Strait Islander individuals and communities, and that Congress should be supported through Federal funding until they are sustainable and self-sufficient.

Reconciliation Australia understands, through research and experience, that if government investment is to deliver positive outcomes, it must be based on genuine partnerships and collaboration with Aboriginal and Torres Strait Islander leaders, communities and representative bodies. Evidence consistently shows that policies developed with meaningful consultation throughout the design and implementation process are more likely to succeed as they create ownership and enfranchisement amongst those affected.<sup>2</sup> Empowerment of Aboriginal and Torres Strait Islander communities is vital for effective governance and to achieve positive change.

Without meaningful engagement with Aboriginal and Torres Strait Islander people and communities, making significant progress in addressing disadvantage will be difficult.<sup>3</sup> Reconciliation Australia believes the cornerstone to creating respectful and meaningful relationships with Aboriginal and Torres Strait Islander peoples, is a strong, independent, Indigenous voice. This role is currently filled by Congress, which is recognised as the national representative body for Aboriginal and Torres Strait Islander people. In order to create meaningful engagement with Aboriginal and Torres Strait Islander communities, working with Congress is critical. Continued Federal Government support for Congress is necessary until Congress is well established and self-sustainable. Without this, our progress in implementing successful programs and policies will be slow, and we will be hindered in our desire to create better outcomes for Aboriginal and Torres Strait Islander Australians.

**Recommendation 2) Funding for the National Congress of Australia's First Peoples must be reinstated until the representative body is well-established and self-sustaining.**

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<sup>2</sup> These reports include the 2010 Strategic Review of Indigenous Expenditure conducted by the Department of Finance and Deregulation, the Overcoming Indigenous Disadvantage Report 2011, the 2011 Aboriginal and Torres Strait Islander Social Justice Report, and the Australian Institute of Health and Welfare Studies report 'What works to overcome Indigenous disadvantage'.

<sup>3</sup> Hunt, J. 'Engaging with Indigenous Australia-exploring the conditions for effective relationships with Aboriginal and Torres Strait Islander communities', *Issues paper no. 5*. Produced for the Closing the Gap Clearinghouse. Released October 2013.

## **Rely on evidence-based decisions for redirecting funding within Indigenous Affairs**

Reconciliation Australia believes that all funded programs should be cost-effective, deliver on their stated goals, and be held accountable by clear evaluation processes. Similarly, if the funding changes within Indigenous Affairs announced by the 2014-15 Budget are to occur, it will be essential to ensure that these funding cuts are made after a comprehensive evaluation process. In addition, while Reconciliation Australia agrees that program consolidation can deliver greater efficiency and effectiveness, any consolidation must be informed by evidence and a proper evaluation of existing programs.

Funding cuts already announced by the Federal Government appear to have followed little review or evaluation process. Organisations such as Deadly Vibe, which 'supports all Aboriginal people and Torres Strait Islander people in reaching their full potential by providing positive imagery, identifiable role models and quality media to improve community and quality of life' offer crucial support to Aboriginal and Torres Strait Islander people of all ages. Programs such as these make significant ongoing contributions to reconciliation in Australia, and to the emotional, physical, and mental well-being of Aboriginal and Torres Strait Islander people. While Deadly Vibe suffered funding cuts under the 2014-15 Budget, there has been little evidence to support this funding decision. Using evidence-based decision making for program funding will be increasingly critical, given the discontinuation of the Council of Australian Governments Reform Council, and the uncertainty on funding for National Partnership Agreements such as the National Indigenous Reform Agreement.

These current funding uncertainties, and the unexpected cuts, make it difficult for those working within Indigenous Affairs, particularly Aboriginal and Torres Strait Islander organisations, to plan for long-term solutions. It was stated in the Federal Budget that the Government intends to 'replace more than 150 individual programs and services with five streamlined broad-based programs under an Indigenous Advancement Strategy', but it is not clear what programs will continue, therefore it is difficult to assess the full impact of program cuts. Particularly concerning is the \$165 million cut from the Indigenous health budget, with little to no indication on what services will suffer as a result. While the Government has committed to implementing the National Aboriginal and Torres Strait Islander Health Plan by the end of 2014, it is essential to ensure that community-controlled health organisations are also sufficiently funded. Without these organisations, we will not be able to achieve equality in Aboriginal and Torres Strait Islander health.

Similarly, legal services, including the Aboriginal and Torres Strait Islander Legal Services, represent crucial programs within Indigenous Affairs that have been subjected to funding cuts. It is particularly important to ensure that programs designed and controlled by Aboriginal and Torres Strait Islander people are supported by the Federal Government, as they have proven to be effective in delivering outcomes. The voices of First Peoples must be central in decision making and they must be empowered to develop their own solutions in collaboration with the Government. Removing funding from these programs, without transparent outcome-based evaluations, risks jeopardizing reconciliation in Australia.

The broader social policy changes stated in the Federal Budget will also disproportionately affect Aboriginal and Torres Strait Islander peoples. In particular, the proposed GP co-payment will create even more barriers for Aboriginal and Torres Strait Islander Australians in accessing adequate health care. As supported by the Australian Medical Association, we believe measures such as these represent a significant decrease in Commonwealth funded

services provided to Aboriginal and Torres Strait Islander Australians, and believe that this will compound the existing inequalities.<sup>4</sup>

Taking into account the stringent fiscal environment, we propose that any reallocation of funding should be based on evidence of underperformance, and that program investment is not re-directed until a review has been conducted. To do so, Reconciliation Australia supports an ongoing commitment to investing in data, evidence and evaluation to enable program review. Furthermore, we suggest that in the event of funding reallocation, the investment be directed to an organisation or project with a similar development goal, thereby ensuring the ratio of funding remains consistent across sectors.

The Government has consistently argued this is a budget to secure the future. However, we question whether the cuts to Indigenous Australia are likely to simply pass on the legacy of entrenched Indigenous disadvantage to future generations of Australians and deny Aboriginal and Torres Strait Islander people their rightful place in a reconciled, just and equitable Australia.

**Recommendation 3) If funding to Aboriginal and Torres Strait Islander programs is to be reduced, it is crucial to ensure a strong evaluation process is followed, in order to best direct government funding.**

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<sup>4</sup> <https://ama.com.au/media/budget-blow-indigenous-health>