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Senator Trish Crossin
Chair
Select Committee on the Administration of Indigenous Affairs
Parliament House
CANBERRA ACT 2600



Dear Senator Crossin

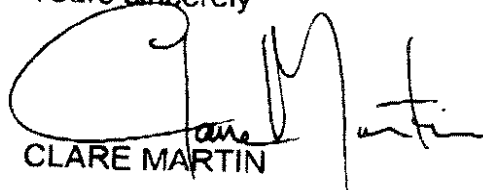
Trish

Thank you for your letter of 30 June 2004, seeking a submission to the Inquiry into the ATSIC Amendment Bill 2004; the administration of Indigenous programs and services by mainstream departments and agencies; and related matters.

Attached is the Northern Territory Government's submission to the Inquiry.

I understand that the Committee will be holding public hearings in Darwin on 24 August 2004. Senior officials can be made available to elaborate on the points made in the submission and Mr Neil Westbury, Executive Director of the Office of Indigenous Policy can be contacted on telephone (08) 8999 6079 to organise relevant officers to appear.

Yours sincerely


CLARE MARTIN

19.8.04



Northern Territory Government

**Australian Senate Select Committee on the
Administration of Indigenous Affairs
Inquiry into the Administration of
Indigenous Affairs**

**Northern Territory Government
submission**

Terms of Reference

- ...to inquire into and report by 31 October 2004, in the following matters:
- (a) the provisions of the Aboriginal and Torres Strait Islander Commission Amendment Bill 2004;
 - (b) the proposed administration of Indigenous programs and services by mainstream departments and agencies; and
 - (c) related matters

Background

In August 2003 the Chief Minister of the Northern Territory wrote to the Prime Minister stating that "There is a crisis in Indigenous Australia that is both long standing and deep-seated. It is not the sole responsibility of any one government or administration, nor will it be resolved by any one policy change or reform. Rather, it requires sustained commitment at all levels and a strong partnership with grass roots communities and leaders".

Given that both Federal major political parties are committed to the abolition of ATSIC in its current form it is critical to ensure that the alternative arrangements to the architecture of Indigenous affairs not only seek to build on the lessons of the past but provide a sounder basis for planning for the future.

The decisions of the Government in relation to both program arrangements and prospective legislative change mean that there will inevitably be a period of considerable uncertainty ahead as new arrangements are finalised and bedded down.

The Northern Territory Government believes that compared to other State and Territory jurisdictions it is uniquely placed to contribute to the debate on the Australian Government reforms to Indigenous affairs.

This is because nearly 30% of the Territory's population is Indigenous and 72% of the Indigenous population resides on Aboriginal owned land primarily located outside major Territory towns.

According to the Commonwealth Grants Commission report on Indigenous funding, completed in 2001, the NT's Indigenous population as a whole suffers the highest comparative levels of disadvantage, across all socio economic indicators, when compared to other States and Territories.

These factors combined mean that the impact of national decisions made in relation to Indigenous affairs impact more dramatically, and their effects become apparent sooner in the Territory, than in other jurisdictions.

Demographic projections for the Territory's Indigenous population confirm that the current level of unmet need and socio-economic disadvantage in Indigenous communities is merely going to worsen in the short and medium term without significant increased effort and resources being applied. The foregone opportunity costs of continuing with the current approach will be a significant cost to the nation, not just the Northern Territory.

For example, at Wadeye¹, the population will double in the next generation. This trajectory is anomalous in the non-metropolitan Australian settlement hierarchy. Wadeye is a vibrant and growing medium sized country town, with

¹ Wadeye is the Northern Territory site of the Indigenous Community Coordination Pilot (ICCP) established through the Council of Australian Governments

almost none of the basic infrastructure and services normally associated with such places.

At Wadeye there are 146 habitable homes for a population of 2,260, meaning an occupancy rate of 16 persons per home. To maintain this current occupancy rate, an extra 122 dwellings will need to be constructed by 2023; to bring occupancy down to 7 persons per dwelling, and extra 465 dwellings would be required. By way of contrast the current national household size is 2.6 persons.

The current Indigenous welfare dependency ratio at Wadeye is 82%, rising to 90% if Community Development Employment Program (CDEP) is counted as welfare income. If the Indigenous employment/ population rate were to remain the same as in 2003 (16%, including CDEP as employed), there would need to be a total of 343 jobs in 2023 – nearly double what there is now. To bring the community into line with the total NT Indigenous employment, there would need to be an additional 500 jobs. Of the current 178 jobs, 133 (75%) were CDEP funded.

The current school age population is 626, with only 57 regular attendees (ie less than 30 days absence in a year). Only 56% of the population is enrolled, and of those, the attendance rate is 51-54%. The school age population is expected to grow to 1,140 by 2023. Not surprisingly, only 4% of Indigenous adults have completed Years 11 or 12².

These figures paint a sobering picture of the current and future challenges facing Governments and Indigenous communities, not just at Wadeye, but for the Northern Territory as a whole.

The Territory Government believes the *National Framework of Principles for Delivering Services to Indigenous Australians* recently endorsed by COAG represents a step forward in developing a whole of government approach to service delivery and, if implemented, will provide a basis for:

- negotiating bilateral arrangements that clearly define the responsibilities of governments;
- establishing linkages across functional areas;
- providing for transparency in decision making;
- identifying agreed measurable outcomes; and
- ensuring Indigenous participation in high level policy making.

As a consequence of Indigenous citizens being such a high proportion of the Territory's population, they are core business for all Northern Territory Government mainstream service delivery agencies involved in program delivery.

However, there remain significant issues in accessing sufficient funding to address the levels of disadvantage. The fiscal equalisation process is

² John Taylor 2003, *Baseline Profiles for Social and Economic Development Planning in the Thamarrurr Region: a report to Thamarrurr Council and the Northern Territory Office of Indigenous Policy*, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra

designed to compensate for the disabilities and to place each State in essentially the same fiscal position as the others in relation to its capacity to deliver services. It is not designed to provide a level of funding to overcome disabilities. This means maintaining pre-existing differentials – and that outcomes will not narrow over time³.

Further, the Australian Bureau of Statistics and Productivity Commission data provide compelling evidence that, where mainstream services do not exist or are unreliable; the position for Indigenous citizens is getting even worse. In addition, the Commonwealth Grants Commission inquiry into Indigenous funding highlighted that Indigenous specific program funds are not currently being allocated in ways which correlate with the areas of greatest Indigenous need, especially in remote Australia.

One of the major problems that continually dogged ATSIC was the widely held perception that ATSIC was solely responsible for the delivery of services to Indigenous Australians. This was compounded by the fact that Indigenous specific programs did not serve as the necessary catalysts for drawing in mainstream program resources and in fact resulted in further marginalisation.

The approach being trialled under the COAG sponsored Indigenous Community Co-ordination Pilots (ICCP) has already demonstrated that whole of Government approaches are essential if the issues are to be credibly tackled, and that mainstream agencies have key roles in resolving the complex challenges we face in addressing Indigenous disadvantage.

Furthermore, the ICCP has highlighted that all too often in Indigenous affairs, policy has been "reactive" by responding to historic levels of need and creating a constant sense of catch up. What is required is a "proactive" methodology that seeks to anticipate planned development.

The Northern Territory Government welcomes the Australian Government's recognition that there is a need to ensure a greater engagement by Australian Government mainstream agencies in meeting their responsibilities to Indigenous citizens in remote areas. However, the Northern Territory Government believes this approach could be further strengthened by recognition of the need to provide the Territory with "catch-up" funding if outcomes are to improve.⁴

The Northern Territory Government recognises that a relationship with its Indigenous citizens and the involvement of its membership and leaders in developing and delivering policies and programs is tied to the Northern Territory's social and economic future. The Northern Territory Government's capacity to engage with an Indigenous leadership is essential for the long-

³ Alan Morris 2003. *Powerhouse or Mendicant? Is the Territory an Engine of Growth or a 'drag' on Federation?* Address to the Charles Darwin Symposium, Beyond the Frontier – Sustainable Futures for north Australia, Darwin 17-18 July 2003.

⁴ As stated by Morris (ibid), where there is a significant disability, fiscal equalisation is not designed to provide the fiscal capacity to "catch-up" ie improve outcomes to narrow the gap over time.

term interests of the Territory's Indigenous and non-Indigenous interests. Conversely the Indigenous leadership's capacity to engage with competing interest groups in the development of policies, programs and service delivery across jurisdictions is essential to the Northern Territory Government's capacity to develop sustainable Indigenous affairs policies with positive outcomes.

TOR 1 – Comments on the provisions of the Aboriginal and Torres Strait Islander Commission Amendment Bill

In addition to the abolition of the National Board of Commissioners, the Bill also proposes the abolition of ATSIC Regional Councils by June 2005. For its part, the Northern Territory Government remains committed to working with the existing ATSIC Regional Councils until new arrangements are finalised.

The following comments focus on the issue of the requirement for new arrangements for Indigenous representation at the local and regional level in the event of the passage of the proposed legislation.

It is the Northern Territory Government's view that governance arrangements for Indigenous communities should be the responsibility of State and Territory Governments, through specific legislation where appropriate. Arrangements where local government is accepted as being a State and Territory responsibility, but the Australian Government maintains a strong role in the Indigenous realm, have the effect of complicating the institutional framework unnecessarily.

Given that there is increasing recognition that governance arrangements are crucial components in providing successful economic and social outcomes, the continuation of confused roles and responsibilities between the Australian Government and the State and Territory Governments is extremely problematic and impedes successful outcomes.

There needs to be flexibility in approaches adopted to recognise the diversity of Indigenous circumstances across Australia. In the Territory, credible and legitimate Indigenous representation needs to occur as close to the local community level as possible. This may mean different arrangements for urban and remote areas.

The Northern Territory Government believes the likely most logical option for securing regional Indigenous input in remote areas is through the continuing establishment of regional local government authorities under the NT Local Government Act consistent with the current 'Stronger Regions Stronger Communities' policy.

The Government is currently considering a review which will examine the Stronger Regions policy with a view to strengthening future representational arrangements in the Northern Territory. The Government recognises that this will require a heavy investment in capacity and leadership development at the regional and local community levels and believes a joint approach with the Australian Government invest on options in this regard.

TOR 2 – Comment on the proposed administration of Indigenous programs and services by mainstream departments and agencies

There are two key lessons that have clearly emerged from the COAG Indigenous Communities Coordination Pilots (ICCPs).

The first is the essential need for a mutual commitment and acceptance of responsibility by both governments and Indigenous communities to agreed and measurable outcomes.

The second is the urgent need to rationalise the plethora of programs and duplication in service delivery both within and between government departments and agencies. The sheer magnitude of managerial and staff resources currently being applied to service and support the ICCPs merely serves to underline the current inefficiency and duplication in service and program delivery. More importantly it also highlights the inability, without significant reform, to secure sustainability, let alone transfer whole of government approaches to other Indigenous communities.

A primary focus on service delivery has remained the key policy driver across all levels of government over the last 30 years, which has resulted in a complex web of responsibility sharing and program delivery. This has evolved to a point where there is a plethora of agencies delivering their services from compartmentalised silos applying standard programs and services.

From the Northern Territory Government perspective, it is fundamental that it has a primary relationship with the Australian Government, particularly now that a number of Commonwealth Ministers will be responsible for all funding allocations previously administered by ATSIC. It is also an imperative that roles and responsibilities in Indigenous Affairs are clear and transparent.

The principles that the Northern Territory Government believes should underpin service delivery are largely reflected in the *National Framework of Principles for Delivering Services to Indigenous Australians* endorsed recently by COAG and provide an opportunity to begin systematically addressing these issues in an Indigenous context.

These include a commitment to pursue bilateral arrangements consistent with the COAG endorsed principles and further strengthened by:

- definition of the roles and responsibilities of each Government to address jurisdictional overlap and so provide for improvements in service delivery on the ground;
- harnessing and lifting the performance of mainstream programs;
- funds pooling;
- Indigenous participation in high level policy decisions;
- funding allocation according to need;
- access to mainstream, not just Indigenous specific, funding;
- recognition of the need for "catch-up" funding.

By way of further explanation:

- o Mechanisms must be in place to address the existence of jurisdictional overlap. The core requirement is that Indigenous communities should not be forced to deal with multiple levels of government in relation to similar programs.
- o Regional heterogeneity in developing service delivery arrangements must be recognised. Given the extraordinary diversity across Australia's Indigenous population, it is imperative that Governments at all levels are prepared to fine tune or re-engineer policy and program initiatives and administrative boundaries to suit local and regional conditions.
- o A representative Indigenous voice must be present in key policy discussions. One of the strong advantages of the ATSIC model was that for the first time it allowed Indigenous communities to have a say in the key policies and programs which affected them.
- o Pooled funding for specific programs should be devolved to the States and Territories and preferably to regional levels where practical. This is the most effective way to reduce administrative costs, ensure decisions are made closest to where services are delivered and avoid unnecessary duplication of effort.
- o Wherever possible services to Indigenous people should be delivered through providing customised delivery by mainstream agencies, and making those agencies accountable for the outcomes. The Indigenous policy realm is not just about Indigenous people and communities; there is a vast degree of inter-cultural overlap at all levels of society. There is increasing evidence that ATSIC funding was allocated without any assessment of the capacity of existing mainstream services to provide benefits to Indigenous citizens. The risk of attempting to maintain a separate arrangement is that it can easily degrade into the provision of inferior services.
- o Bilateral agreements should be underpinned by negotiated trilateral 'shared responsibility agreements' with Indigenous communities and organisations consistent with the approach adopted under the COAG ICCP at Wadeye

Given the existing experience gained from the combining of resources under the Indigenous Housing Agreement, the Northern Territory Government believes one way to begin to substantially address this issue is through the early negotiation of bilateral agreements for combined program delivery on a government to government basis.

In terms of funding, the focus should be on ensuring mainstream programs (where the real dollars are) start to be directed to the areas of greatest need. That means ensuring mainstream departmental programs are not structured in ways which prevent Indigenous citizens, particularly those resident in remote regions, from accessing services that are available to the majority of Australian citizens.

If successful, Indigenous access to current government programs would expand based on the responsiveness of programs to actual need and

Indigenous citizens would not remain marginalised and reliant on what were designed to be in many cases only supplementary programs.

There is the potential for misinterpretation of the term 'mainstreaming'. Mainstream programs ought not to intend to 'mainstream' Indigenous people. It should not be about ignoring cultural differences, or even worse, coercing Indigenous citizens to give up their culture. Policies and programs which are not flexible enough to take account of special need based on cultural differences will not be effective. The issue of so called 'mainstreaming' should be viewed in the context of the complex problems facing remote Indigenous communities and the need for whole of Government approaches, that ensure mainstream programs (not just Indigenous specific programs) are applied to addressing Indigenous disadvantage.

The Australian Government has announced a commitment that Indigenous funding will be 'quarantined'. This appears to be designed to avoid criticism that the resources would be lost within the Federal bureaucracy and to provide an assurance there would be no overall reduction in resources allocated to Indigenous development. However, an actual 'quarantining' approach organisationally and in terms of programs would be self-defeating.