



Queensland
Government

**QUEENSLAND GOVERNMENT
SUBMISSION**

to the

**Draft Report
of the
Inquiry into
Indigenous Funding**

**Commonwealth Grants Commission
National Inquiry into
Indigenous Funding**

December 2000

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1. INTRODUCTION

This submission comprises the Queensland Government's comments on the Commonwealth Grants Commission Inquiry into Indigenous Funding draft report of October 2000. The submission consists of overall comments on the draft report's themes and direction and more specific comments on the main functional areas covered by the draft report.

This submission includes information supplied by the following Queensland Government departments:

- Queensland Treasury;
- Department of Aboriginal and Torres Strait Islander Policy and Development (DATSIPD);
- Queensland Health (QH);
- Department of Housing (DOH);
- Education Queensland (EQ); and
- Department of Employment, Training and Industrial Relations (DETIR).

2. OVERALL COMMENTS

Policy Direction

The Commission has highlighted a number of preconditions for achieving advances in the circumstances of Indigenous peoples that are compatible with the policy direction of the Queensland Government.

These preconditions include Indigenous peoples:

- Being able to participate fully in identifying needs and in being involved in decision-making;
- Having increased control over financial arrangements;
- Having control of service provision at the local level as far as practicable; and
- Having the capacity to enter into collaborative arrangements with service providers (Commonwealth, State or Local).

The Royal Commission into Aboriginal Deaths in Custody in 1991 articulated the same preconditions and the *National Commitment to Improved Outcomes in the Delivery of Programs and Services for Aboriginal Peoples and Torres Strait Islanders* in 1992 outlined principles for collaborative action.

The Queensland Government is giving effect to these preconditions by progressing the development of "Towards a Queensland Government and Aboriginal and Torres Strait Islander Ten Year Partnership" (Ten Year Partnership), the Cape York Partnerships Project and a range of other associated partnership approaches of individual Government agencies. Most importantly, these initiatives are being well received by Indigenous peoples and new arrangements are being put in place at a local, regional and state level. The Queensland Government recommends this be included in the final report.

Comment on the Possible New Approach Identified by the Inquiry

One possible new approach that the Inquiry's draft Report has identified is "Commonwealth Indigenous specific funds being allocated to State level Indigenous-controlled bodies that would be responsible for allocating the funds to regional or local service delivery processes."

Whilst the Queensland Government agrees with the thrust of the principles for change articulated in the Inquiry's draft Report, its solution is to try and work with existing bodies and shift power and decision-making away from central agencies to regional and local decision-making structures. It believes that the way forward in Indigenous affairs is through local and regional negotiation and for that local and regional negotiation to be linked to regional and central agency planning and decision making.

The Queensland Government would suggest that the final report consider the following questions:

- If such bodies were created, how would service delivery be enhanced?

- How would additional housing dollars, for example, be delivered to meet unmet need?
- What substantive contribution would the creation of these new bodies make to delivering improved outcomes in health, housing and infrastructure, education and training and employment?

The Queensland Government would need to be convinced that these questions have been answered before it would support such an approach.

The Queensland Government acknowledges that existing arrangements do not adequately address the long-term disadvantage of Indigenous Queenslanders, help build the capacity of Indigenous communities to plan and manage services, encourage Indigenous participation, assist with priority setting or decision-making nor deal effectively with the non-funding issues such as coordination and cross-functional issues. It is also recognised that the past ways of delivering services to Aboriginal people and Torres Strait Islanders has not worked. The Ten Year Partnership is an active response to the call for coordination at Commonwealth, State, Local and community level and for a concentrated and concerted effort to turn around the current poor quality of life outcomes for Indigenous Queenslanders.

A principal driver behind the Ten Year Partnership is the need for greater coordination and cooperation in the delivery of Government services. Of equal importance is the necessity for Government to demonstrate accountability for improved performance in relation to key social indicators (eg. health, housing, education, employment) through individual agencies collectively agreeing on a range of shared outcomes and performance measures.

The Inquiry should consider the current work in Queensland with the development of a Ten Year Partnership and the Cape York Partnerships Project. These initiatives recognise that past government policies have failed and that a new approach is needed and that a different model from that of a “top down” Program delivery response has to be found. The Cape York Partnerships Project is underpinned by a partnership approach through negotiation with Indigenous people that involves community capacity building aims to establish long term change required by both the community side and the Government side.

The scope of the change that is required is intentionally acknowledged through the eventual development of a ten year framework, which will include milestones at particular points in time. This includes the cultural shift necessary in the public sector, the acquisition of new skills by public servants and the structural reform in Government “to do things differently”. Learnings from the Cape York Partnerships Project highlights the need for Indigenous communities to acquire new skills and resources that enables equal participation with Government at the negotiation “table”. It is negotiation at the local or regional level and the development of new partnerships at the local, regional and State level that the Queensland Government believes will transform the nature of Government/community interaction and transform the nature of service delivery.

The Queensland Government believes that focussing on localities, place or discrete social groups formed by traditional or historical association is the way to respond to community need in a more holistic, integrated and flexible way. It also allows maximum community participation of Indigenous Queenslanders in service planning and delivery. Negotiations around “place”, where Government representatives and community members sit together to negotiate the provision of services also has the potential to address the major problems of duplication, overlap, and the lack of coordination between service providers.

The notional pooling of funds is already happening in Queensland in relation to the existing Bilateral Agreements on Housing and Infrastructure for the Torres Strait and for the Mainland. Both the Cape York Partnerships Project and the Ten Year Partnership aims to extend this pooling of funds concept to other policy areas and to “place”. The Queensland Government also intends to put in place an evaluation mechanism through performance measures that have been negotiated with the Indigenous communities to ensure that this and any other new arrangements are delivering improved outcomes.

The Queensland Government sees the Aboriginal and Torres Strait Islander Commission (ATSIC) as a major player in the development of a new approach to service delivery in Queensland. The Cape York Partnerships Team is currently working with the ATSIC Peninsula Regional Council on the Family Income Management initiative. The Department of Aboriginal and Torres Strait Islander Policy and Development

(DATSIPD) has also made presentations to ATSIC Regional Councils about the Ten Year Partnership. DATSIPD is currently involving ATSIC (and the Torres Strait Regional Authority) in the Regional Negotiation Teams that are negotiating the development of the Ten Year Partnership across the State. Discussions have been pursued with ATSIC to formalise partnership through the development of a Memorandum of Understanding. This will provide an overarching State framework for the Bilateral on Housing and Infrastructure and extend the scope of that Agreement.

It is extremely important that the Commonwealth join in with the existing partnership/negotiation processes that are already happening in Queensland rather than create new mechanisms. These existing initiatives embody the transfer of control from agencies to Indigenous peoples that the Inquiry is articulating and provide the Inquiry with some practical “on-the-ground” models against which to test its thinking.

Information/Data to Support New Policy Direction

Like the Queensland Government in relation to the collection of data to support the development of the Ten Year Partnership, the Inquiry has encountered the same difficulties in relation to the collection of information and data. In relation to expenditure data, DATSIPD has compiled a Summary of the Programs and Services Delivered to Aboriginal people and Torres Strait Islanders for 1998-99 and 1999-00. This Summary describes:

- specific Aboriginal and Torres Strait Islander Programs/Services;
- mainstream Programs/ Services with a specific Aboriginal and Torres Strait Islander component; and
- mainstream Programs/Services with a particular relevance to Aboriginal people and Torres Strait Islanders.

Because the Programs/Services that Indigenous peoples are largely accessing are mainstream services and because there has not been a tendency to collect data on the “take up” of these services by Aboriginal people and Torres Strait Islanders, these expenditure figures are, in some instances, “guesstimates” by departments rather than accurate figures.

One of the challenges for the Queensland Government, therefore, is to introduce more rigorous reporting systems that require the collection and analysis of Indigenous specific data.

This is one of the principal objectives of the development of the Ten Year Partnership and draft outcome indicators are currently being negotiated with Indigenous peoples across the State. An audit of State data collections has also been completed identifying those collections that have an Indigenous specific identifier. From this and detailed discussions with line agencies we know what data is currently collected, what is not and what is needed to be able to measure the improvement that we are looking for in the key policy areas of the Ten Year Partnership. In some instances there will need to be new systems put in place to be able to measure performance.

Not only is the lack of Indigenous specific data a challenge but so, too, is the lack of comparable data and the lack of regional data.

The Terms of Reference of the Inquiry require it to devise a model for measuring the needs of groups of Indigenous peoples relative to one another. However, the ‘Experimental Index of Indigenous Socio-Economic Disadvantage’ that has been developed to satisfy this requirement, as described in Chapter 2, does not provide sufficient detail about the statistical parameters upon which the Index is based. The derivation of the Index, and, indeed, the rationale underlying any modification of it to explore other multivariate and minimum service provision approaches as the discussion paper proposes, should be published and made available for comment before the Australian Bureau of Statistics proceeds any further with its development. It would not be satisfactory for the results of this Index or any proposed modification of it to be made available in the final report without fuller disclosure of, and consultation about, the underlying methodology.

Main finding 16 states that ‘[a]s far as possible, Indigenous people should have authority to make decisions about the services they receive both at the State and the local level. Ideally, this would be accompanied by

control over the funds necessary to provide the services.’ Main Findings 29 and 30 also emphasise this theme.

The proposed program and service delivery method, however, would rely upon using statistical indicators and centralised decision-makers, rather than devolving issue identification and decision-making authority to local Indigenous peoples. The proposed method therefore contradicts this fundamental principle and will only perpetuate disempowerment of Indigenous communities around these issues.

Main Finding 33 states that ‘...the Commonwealth has limited scope, just through changes within its own activities, to achieve outcomes consistent with the principles set out in paragraph 31’. (Note: it is assumed that the authors meant to refer to paragraph 30) However if the proposed program and service delivery method were amended to be more precise in identifying individuals and communities with need, rather than using statistics to calculate broad Regional needs, the Commonwealth could move closer to achieving outcomes consistent with the principles set out in paragraph 30.

The Queensland Government is entering into an era of reconciliation through negotiation of partnership arrangements with Indigenous communities, which give practical effect to the principles of the draft Report through our partnership initiatives.

3. GENERAL FUNDING AND INTERGOVERNMENTAL ISSUES

Themes for Indigenous Programs

Queensland broadly supports the themes outlined in paragraphs 45 and 46 as a guide to the design of Indigenous programs and funding arrangements. The themes of greater Indigenous involvement and decision making in Indigenous programs, clearer government roles, and a long term perspective are particularly important. The themes do, of course, need to be applied within the broader framework of best practice public management and accountability.

To this end, it would be helpful if the Commission’s final report sets out a process by which the success of the measures proposed could be judged, ie a performance framework.

Commonwealth-State Responsibilities

The inquiry’s terms of reference deal primarily with the relative needs of Indigenous groups and Commonwealth Indigenous funding. Queensland therefore considers that any findings or recommendations significantly impacting on broader Commonwealth-State responsibilities or arrangements require adequate justification.

In that light, the draft report’s conclusion in paragraph 40 that existing Commonwealth-State arrangements do not:

- Acknowledge and adequately address the long term disadvantage of the Indigenous population;
- Help build long term capacity of Indigenous communities to plan and manage services
- Encourage Indigenous participation, priority setting and decision-making; or
- Deal effectively with non-funding issues such as coordination, fragmentation and cross-functional issues.

Needs substantially stronger supporting evidence and argument before it can be used as a justification for significant change to existing arrangements.

Related to this, the suggestion in the report (paragraph 63) that, among other things, the Commonwealth introduce and enforce additional conditions for SPPs aimed at improving service delivery to Indigenous people also needs substantially greater supporting evidence and argument. The clear trend with SPPs is for greater focus on results and outputs and less on processes and the Commission’s suggestion apparently runs counter to that.

Queensland also considers that additional emphasis could be placed in the report on the current arrangements for general revenue assistance and in particular, the contribution that Indigenous weightings make to the distribution of general revenue assistance as this is, arguably, an important example of current allocation of funding based on need.

Funding Data

Queensland strongly endorses the report's data gathering and research into Indigenous funding. Data is an important weakness in the design of Indigenous programs and Queensland considers that the report's data will be a valuable output of the report. Queensland offers its continued support in data-gathering for the Commission's final report.

4. HEALTH

QUEENSLAND HEALTH COMMENTS

- *p71 of the Report mentions that for the final report 1998/99 data will be used to show changes in expenditure patterns.*

Expenditure by both Commonwealth and Queensland Government's on the health of Aboriginal people and Torres Strait Islanders in Queensland, is approximately the same on a population basis as it is for non-Indigenous peoples.

A preliminary analysis of Queensland Health's contribution shows that even though Indigenous people comprise approximately 3% of Queensland's population, the proportion of recurrent expenditure spent on the provision of health services to Indigenous people is considerably higher than their population share.

This means that the proportion of expenditure by the Commonwealth Government on Indigenous peoples is considerably lower than would be expected on a population basis. It is even lower when assessed against the health needs of the population group.

- *p82 of the Report discusses the issues of access to acute care services.*

In terms of national averages, Indigenous Queenslanders have higher than national average acute separation rates and higher than average hospital outpatient rates. This means that (although access to acute services is not perfect) it is better than the national average.

- *The Report details the lack of access to Primary Health Care Services as a major area of concern. The Report also highlights that hospitals substitute for services such as primary care that are inaccessible.*

Queensland Health has drawn this issue to the Commonwealth's attention on numerous occasions.

- *In addition p76 of the Report states that about \$245m is needed annually to increase access to Primary Health Care.*

The \$245M identified arises from a paper prepared commissioned by the Australian Medical Association. Despite the Commonwealth supposedly being the major funder of Indigenous health (as mentioned in the Report), the paper identified that in comparison to the Commonwealth, the States provide funding for Indigenous health on a per capita basis which is 3.7 time greater than that provided by the Commonwealth. As approximately 27% of the Indigenous population live in Queensland, this equates to additional Commonwealth funding of approximately \$66M in Queensland.

The Commonwealth through the Medical Benefits Scheme (MBS) and Pharmaceutical Benefits Scheme (PBS) primarily fund primary health care. In Queensland access to Commonwealth funded MBS and PBS

funded health services in Indigenous communities is limited and in many cases non-existent. This is reinforced in the report.

In terms of expenditures, additional funding to Queensland in the vicinity of \$29M is needed to equalise MBS and PBS expenditure to the same level of expenditure on a per capita basis as for non-Indigenous communities.

Queensland is currently negotiating with the Commonwealth in relation to funding under the Primary Health Care Access Program.

The report advocates for greater Indigenous community control through greater Indigenous community participation in decision making, planning and service delivery. In many instances, the report ignores the considerable work undertaken by Queensland Health to work in partnership with Indigenous Communities through existing mechanisms such as the National Aboriginal and Torres Strait Islander Health Partnership, the Ten Year Planning Partnership for Aboriginal and Torres Strait Islander Affairs in Queensland and the Cape York Partnership.

- *On page xvii of the Main Findings point 35, the CGC proposes a mechanism for the allocation of funding to Indigenous Community-Controlled Services.*

“One possible approach might involve Commonwealth Indigenous specific funds being allocated to State level Indigenous-controlled bodies that would be responsible for allocating the funds to regional or local service delivery processes. These bodies would include representatives of Commonwealth and State governments and, where relevant, local government. The bodies would need to be adequately resourced, including access to expert independent advice and relevant data, to enable them to make informed decisions. It would be desirable for related State government funds to be combined with the Commonwealth funds and distributed through this mechanism.”

There are concerns with the proposed approach given the potential for duplication and increased inefficiencies in the delivery of services. Deviations from current approaches to the allocation of funding should be supported by evidence of contribution to improved health outcomes in the long term.

5. HOUSING AND INFRASTRUCTURE

DEPARTMENT OF HOUSING RESPONSE

Outcomes Approach and Access

The Department of Housing supports an equivalent outcomes approach to measuring need and determining funding allocations for Indigenous housing. The Department also supports the proposed allocation principles (para 42 p25):

- equal resources (allowing for cost differences) should be devoted to addressing equal needs; and
- more resources should be devoted to people with greater need so that the gap between them and the next most needy group can be reduced.

The draft report (para43 p25) rightly identifies three important issues that also need to be considered in an appropriate allocative approach (ie avoiding penalising better performing areas; capacity to benefit; and capacity to deliver and manage services). Balancing these three ‘tensions’ in any allocative approach will be important. In particular the notion that housing assistance, in addition to being a ‘safety net’ measure, should also provide a ‘trampoline’ to maximise benefits is considered desirable for the efficient use of resources in improving outcomes for Indigenous people.

However, it is considered that the several key issues that fall out of adopting an outcomes approach require further consideration. These include concerns about:

- the limitations of the Inquiry and the draft report in only addressing relative Indigenous needs in an environment of strong evidence across all functional areas, including housing, of the high absolute needs of Indigenous people;
- how equivalent outcomes are conceptualised and measured; and
- the framework and methodology for ‘costing access’.

For example, there are inherent dangers in assumptions that equivalent housing outcome for Indigenous people are only about increasing their access to housing assistance/services. This may only be a measure of ‘uptake’ of housing assistance and may not truly reflect the broader access issues and costs required to sustain an equivalent outcome for Indigenous people. Equivalent outcomes must address issues of appropriateness, affordability and security of housing across all tenures of housing ie targeted and mainstream public and community housing, private rental housing and home ownership.

The long term *sustainability* of housing outcomes for Indigenous people and the Indigenous housing sector is crucial if housing is to provide a means to improve health, employment and educational outcomes for Indigenous people. Quantitative and qualitative measures are required that consider the sustainability of housing outcomes and their relationship with other social and economic outcomes sought for Indigenous people.

The cost associated with sustaining access to appropriate housing assistance is seen as a big factor in ensuring a successful housing outcome for Indigenous people. For example, the higher costs of delivering a case management approach and higher staff to tenant ratio in the Department’s targeted Indigenous housing program is considered a crucial factor in achieving long term housing stability for tenants, including significantly lower rental arrears. A methodology that appropriately and fully costs a range of program access and capacity building factors, including regional variations is considered critical.

The report does not sufficiently consider the relationship and regional variations between Indigenous housing and the private rental market, including how the ‘need’ for Indigenous housing might be ‘moderated’ by encouraging a better functioning private housing sector in some areas. Eligibility limitations on Rent Assistance for Indigenous people due to household size and low rents and the appropriate mix of capital and non-capital funding responses on a state and regional basis to meet need require further discussion.

Experimental Index of Indigenous Socio-Economic Disadvantage

The Index is at a very preliminary stage of development and the weaknesses have been acknowledged in the draft report. The proposed process for refinement seems reasonable. The draft report correctly states that the Index of Disadvantage, even when further improved, could only be used to indicate that one region was more disadvantaged than another, but could not be used to measure *how much* more disadvantaged it was. Therefore its usefulness in resource allocation would be limited. Given these limitations, any premature adoption of the Index as a decision making tool or basis for funding allocation would be very concerning.

Linkages Between Health, Housing and Education

The report draws several important linkages between health, housing and education. To be effective any proposed national partnership arrangements between these different portfolio areas will need to take account of any existing State partnership arrangements and negotiations and would require a strong inter-governmental framework with Commonwealth and State Cabinet endorsement.

Rewording of para 66 P101 is recommended as it inaccurately infers that Indigenous specific housing programs were developed in the 1970’s by the Commonwealth government to ensure access to safe, healthy and sustainable housing. Indigenous targeted housing programs when first introduced had a narrower scope and objectives. The strong focus on safe, healthy and sustainable housing have only become prominent since 1996 and this more integrated and holistic outcomes approach to housing and related infrastructure is being driven and funded as much by the States as by the Commonwealth.

Bilateral Agreements and Indigenous Housing Authorities

The draft report discusses recent changes in housing with the development of bilateral housing agreements and Indigenous controlled housing bodies in some States. However, this discussion appears to confuse and interchange these concepts and make the broad assumption that bilateral agreements are a first step to establishing an Indigenous controlled housing authority, which would ipso facto, deliver improved health and housing outcomes for Indigenous people.

The draft report provides no hard evidence base for this and it is recommended that further evaluation of the outcomes of both bilateral agreements and various organisational and administrative arrangements for delivering Indigenous housing, including the relative advantages of notional and actual pooling of funds, is required. Given that bilateral agreements and different structures for Indigenous housing have only been in place in most States for a relatively short time it is considered far too early to make findings or recommendations about which arrangements are likely to deliver improved outcomes. The result of the inclusion of housing and infrastructure in bilateral agreements on improved outcomes, coordination and planning has also been overlooked. The proposal that ARHP housing assets are transferred to an Indigenous controlled body as a key aspect of bilateral agreements is not supported.

The report's recommendations around an Indigenous housing authority is not only outside the terms of reference, but denies the fact that real improvements in Indigenous housing are being made using a variety of mechanisms across the States.

For example, the report provides no evidence that separate Indigenous housing authorities attract new funds or that having an authority will translate into increases in real levels of funding (from whatever source) for Indigenous housing. The Queensland Government has, however, significantly increased real funding for Indigenous housing in recent years without having a bilateral agreement or an Indigenous controlled structure in place. The risks of marginalisation and decreased leveraging and 'bargaining' capacity for untied funds may in effect be a long term and unanticipated consequence of a single Indigenous controlled structure. The Queensland government, which now has two separate housing and infrastructure bilateral agreements with notional pooling in place and ATSIIC, will jointly conduct a feasibility study commencing in 2001. The study will consider the full range of issues and options for the possible establishment of a separate state statutory Indigenous housing and infrastructure authority.

Capacity Building

The Department of Housing supports the draft report's long-term view and need for capacity building in Indigenous housing, including allowances for the recurrent costs of housing organisations in the general housing need assessment (para 79 P105). Recurrent funding for Indigenous housing organisations and assessing costs for capacity building of the sector is critical to sustaining improvements in Indigenous housing outcomes.

Data Issues

The following comments relate to data presented in Chapter 7 and Attachment C on Housing. The Department of Housing will also liaise directly with Commission staff about further data requirements identified in the draft report.

CHAPTER 7

1. P88: If the percentages in the dot points at the top of the page were obtained from the Census, then we think they actually refer to **dwellings not people**. ie 30% of **dwellings** are owned or being purchased. If the term **households**, rather than people were used, this would be reasonably accurate.
2. Table 7.3 (p91): The Centrelink data usually refers to "income units" not individuals. As yet we have not had the chance to check the figures for Queensland.

3. Paragraph 21: Homelessness. SAAP data is usually used in conjunction with Census data to estimate the extent of homelessness. Again we have not yet checked the figures for Queensland. It is not clear if para 22 is referring to the SAAP data.
4. Paragraph 33: Affordability measures need to take overcrowding into consideration ie an overcrowded dwelling, which houses a number of income units, would be more affordable than an uncrowded dwelling that houses only one income unit.
5. Paragraph 44: Suggested amendment: "... to over \$2,400 in Queensland"

ATTACHMENT C

1. Caption for Table C-1: As per comment 1 under Chapter 7, the Census actually categorised dwellings. If it is acceptable to consider that there is one household per dwelling, then the use of the term households is reasonable. However Lone person households appear to be excluded by the phrase "Family and group households". The following caption: *Indigenous households by tenure, 1996*. is suggested.
2. Table C-1: Our analysis of the Census data for Queensland results in higher numbers than obtained by Jones. We obtained the following numbers in the Owned/buying column: 3,136; 701; 895; 810; 745; 329; 29 and 150.
3. Table C-4 It is not clear how the numbers in column 9 were derived.

6. EDUCATION AND TRAINING

EDUCATION QUEENSLAND RESPONSE

Education Queensland welcomes the Commonwealth Grants Commission's inquiry into the distribution of funding programs that affect Aboriginal people and Torres Strait Islanders and the examination of relative disadvantage.

This submission will address

1. General Issues
 - ⇒ Issues raised with the Commonwealth Grants Commission's Director, Research and Data Analysis in June 2000
 - ⇒ Response to the Draft Report
2. Conceptual and Practical Issues with the Draft Report
3. Data Issues with the Draft Report

General Issues

Issues raised with the Commonwealth Grants Commission's Director, Research and Data Analysis

Following Education Queensland's audience with the Commonwealth Grants Commissioners in June 2000, the Commission's Director, Research and Data Analysis requested a further meeting with Education Queensland representatives. This meeting took place on Friday the 16th of June 2000. At the meeting Education Queensland provided information on the *Queensland State Education 2010 Strategic Directions*, the *Partners for Success Strategy* and discussed in some detail the problems associated with the Indigenous population and demographic data the Commission was using for Queensland.

The ABS identified problems with the Queensland Indigenous 1996 Census data, and supplemented this data with its household survey data (1996 Census of Population and Housing: Aboriginal people and Torres Strait Islanders, Queensland - publication number 2034.3). The ABS estimates that the Queensland Aboriginal and Torres Strait Islander undercount in the 1996 Census is 9.9%.

One percent of the population was not included in the Census as their Census District was disregarded because within the Census District:

- The population less than or equal to 10
- Five or less people were in paid employment
- There were mainly non-private residences (including motels, boarding houses, hospitals, refuges)
- The Census response rate was less than 30%

Further, where Census Districts had more than a 30% response rate, the missing values were taken at CD average.

For each of these situations, exclusion and non-response is likely to correlate significantly with low socio-economic status, a non-English speaking background (language and cultural barriers to participation), or poor literacy skills. That this demographic profile is more typical of Aboriginal people and Torres Strait Islanders is supported by the Commission's own findings in the Draft Report.

The ABS estimation of the Queensland population undercount explains anomalies apparent in the Commission's Queensland population data. If it is within the Commission's mandate to replace data known to be problematic with more accurate data (from the same source), then the problems with the Queensland Indigenous population data could easily be rectified by using the revised data in '*1996 Census of Population and Housing: Aboriginal people and Torres Strait Islanders, Queensland*' (publication number 2034.3). The Commission's use of SEIFA is also of concern. It appears that the Commission uses indices of relative socio-economic advantage and not relative socio-economic disadvantage (CGC 2000 volume 4, page 8). This would create a lack of sensitivity at the lower end of the income scale. Further, these indices do not take account of family size or structure (number of income earners in proportion to number of dependents). The ABS (publication 2034.3) points out that on average Queensland's Aboriginal and Torres Strait Islander households differ significantly from non-Indigenous households because the average number of dependent school-age children is higher and household incomes are considerably lower. Therefore, even indices of relative socio-economic disadvantage may be discriminatory, as they are not sufficiently sensitive to account for cultural variations.

Consideration of these issues does not appear to have been incorporated in the Draft Report.

The Draft Report

The Draft Report raises some concerns. Movement away from the terms of reference has limited the sensitivity of the inquiry in terms of:

1. The sophistication with which the issue of relative needs has been addressed;
2. Clear distinction between Aboriginal people and Torres Strait Islander people and any differences in terms of needs; and
3. Within State or Territory differences for different groups of Indigenous persons or different regions.

Education Queensland is currently introducing substantial reforms to educational provision in Queensland, however the needs component of educational funding per student has traditionally included cumulative additional weightings for students:

- at relative socio-economic disadvantage;
- whose main language spoken at home is not English (eg TSI Creole and Aboriginal English);
- who are of Aboriginal or Torres Strait Islander descent; and
- who reside in remote and isolated regions.

In addition to these weightings, schools have received supplementary per student funding under the IESIP program.

The Commission's inquiry into Indigenous needs funding should address the per-student funding differences between state school students and non-state school students. Page 131 of the Draft Report states that non-

state school students are funded at three times the rate of funding for state school students. What is the justification for this discrimination? The most disadvantaged students are generally from highly remote areas or are students with disabilities. These factors grossly inflate the cost of educational provision for the state school system, as the vast majority of these students are enrolled in state schools in Queensland.

Many state schools use IESIP funds in the employment of Indigenous support staff, information technologies (which are linked to improved outcomes for students at risk) and in the provision of vocational education and training programs (VET). Education Queensland and DETIR earlier this year signed a joint Ministerial agreement that allows for the provision of VET in schools from Year 9 onwards, in order to diversify the curriculum and engage the widest range of students prior to the juncture at age 15 when a number of 'at risk' students have traditionally discontinued schooling.

In spite of this, no mention of VET in schools or post-school VET pathways were included in the report on education. This oversight suggests a narrow and inappropriate definition of education (with a traditional academic focus) has been adopted without regard to the real student diversity present in schools and the major educational reforms currently taking place in Queensland.

The claim that Queensland only has 26% remote Indigenous students and WA has 54% is also problematic. This anomaly is created because towns such as Derby, Broome and Port Hedland in WA are not vested with major regional centre status whereas Townsville, Cairns and Rockhampton are in Queensland. The reality is that this arbitrary distinction ignores the similar functionality of these towns, irrespective of population. Queensland's population is in fact more diverse, as a much high proportion of the population resides a considerable distance from the capital city. The combination of Queensland's unique climatic conditions and the lack of population density per land mass limits available infrastructure to support students and their families who have arbitrarily been categorised as not remote due to the uniformity of the methodology applied to Queensland and other States and Territories (with very different population dispersion profiles).

Earlier this year, Education Queensland released a *Partners for Success* strategy, which is currently being trialed in 35 Queensland state schools. Partnerships ensure a more effective exchange of information between schools and communities, which improves the provision of educational services to students. In communities where there is a great deal of interaction and collaboration between parents and schools, and where the community feels a sense of ownership about the school, students achieve better outcomes, are more highly motivated and less likely to truant or to leave school early. Partnerships between schools and communities ensure that new approaches are developed collaboratively, that expectations of students remain high, and that parents and other community members are able to contribute to the education of their young people.

Schools themselves are in a key position to operationalise local level partnerships and community control, and a great deal of anecdotal evidence indicates that this is happening in certain schools and regions with high Aboriginal and Torres Strait Islander concentrations. These claims are supported with documentation provided to Education Queensland by individual schools applying for recognition and additional funding through the 'Showcasing Excellence' and 'Strategic Initiatives Funding' projects. In general, Queensland schools in rural and remote regions are leading the way in viewing state schools as a community resource and centre for integrated government service delivery.

The negotiating tables process adopted in the Queensland partnership approach has had a high level of local community participation and ownership. The recent Lockhart River negotiation table had 11 local Indigenous community members out of a total of 30 attendees. The Aurukun table had a floating local community participation of between 20-40 from 80 attendees. These included trainees who came to speak about their traineeship, elders from the 6 clan groups, the current and past chair of the council and members of the current council, plus other interested community members.

Conceptual & Practical Issues

- Most of the cited outcomes – like building a house are really inputs or outputs, not outcomes

- We don't know the real costs of effective service delivery linked to definitive outcomes. There is no available published literature; therefore we are talking about revenues not costs.
- Averaging in Queensland is particularly problematic, because of the range of population dispersion and participation.
- Schools are in a key position to operationalise local level partnerships and community control, and there is anecdotal evidence to suggest that this is happening in certain schools and regions with high Aboriginal & Torres Strait Islander concentrations. Qld Aboriginal & Torres Strait Islander regions are leading the way in viewing state schools as a community resource and centre for integrated service delivery.

Data Issues

- Age comparisons of Indigenous and non-Indigenous students are problematic, because Aboriginal & Torres Strait Islander student participation patterns are more varied in terms of age than non-Indigenous students' age progressions through schooling, so you are not comparing like with like.
- P.123 What is the CGC 1996 special data collection for government schools and can we get a copy of it? Education Queensland has *acquired* an additional 50 schools in Table 9-3 based on these data, therefore the data need to be replaced with the accurate Queensland data, below:

Numbers of Queensland State Schools by Concentration of Indigenous Students, Feb 2000 (Table 9-3)

	Primary Schools	Secondary Schools
no Indigenous	247	14
1 - 5 Indigenous	254	38
6 - 19 Indigenous	285	80
20 or more Indigenous	268	119
	1054	251

- P.124 National Comparisons of Year 3 state-wide testing needs to carry the same caveats as provided to MCEETYA because Queensland students, on average, have attended school for eight months less than students in other states, as Queensland has 12 years of schooling and does not have a full-time preparatory year.
- P.124 The issue of Queensland only having 26% remote Indigenous students & WA having 54% is because towns such as Derby, Broome and Port Hedland are not vested with major regional centre status whereas Townsville, Cairns and Rockhampton are. This arbitrary distinction ignores the similar functionality of these areas, irrespective of population.
- P.124 The language other than English spoken at home statistic is inaccurate for Queensland. Education Queensland's records indicate that 18% of Aboriginal and Torres Strait Islander students speak a main language other than English at home.
- P.125 References throughout acknowledge wide variation between the States and Territories but need also to include wide variation within Queensland. The following breakdowns of enrolment and retention performance by Statistical Division in Queensland highlight the levels of variation throughout the State:

Queensland A&TSI State School Students as a Percentage of all Full-Time State School Students for each Statistical Division (Feb 2000)

BRISBANE	3.0%
MORETON	2.1%
WIDE BAY-BURNETT	5.4%
DARLING DOWNS	5.4%
SOUTH WEST	17.7%
FITZROY	7.8%

Queensland Government

CENTRAL WEST	10.6%
MACKAY	6.4%
NORTHERN	11.9%
FAR NORTH	26.3%
NORTH WEST	41.0%

Apparent Retention Rates (Year 8-12) for Queensland State School A&TSI & non-A&TSI students in each Statistical Division (July 1996- July 2000)

	Aboriginal & Torres Strait Islander	Non-Aboriginal & Torres Strait Islander	Total
BRISBANE	63.6%	79.4%	79.8%
MORETON	64.1%	74.1%	74.2%
WIDE-BAY	48.7%	62.0%	62.6%
BURNETT*			
DARLING DOWNS	50%	66.3%	67%
SOUTH WEST**		Unavailable	
FITZROY	50.7%	64.3%	65.2%
CENTRAL WEST	50%	52.3%	52.5%
MACKAY	54.6%	65%	65.7%
NORTHERN	54.8%	75.5%	78.1%
FAR NORTH	44.4%	64.4%	70.3%
NORTH WEST	21.3%	51.7%	68.7%

*Apparent retention underestimated due to unavailable data for Year 11 & 12 enrolments at the Hervey Bay Senior College (TAFE)

**Data unavailable for students enrolled in Years 11 & 12 at the South West College of TAFE

- P.127 Census data on ‘age left school’ would be more sensitive than assuming the age of 12.
- P.131 Why are non-government IESIP supplementary funding rates more than 3 times higher than government rates? How does this relate to needs?
- P.132 Indigenous education outcomes are not consistently bad. Our retention rates are incredibly variable as are our school completion rates (see tables above).
- P.135 point 59 – not true in the Torres Strait Islands and Cape and Gulf regions, where the Cape York Partnership and Partners for success are beginning to address these issues and education is playing a lead role in community decision-making and the use of school facilities as community resources.
- P.217 What happened to Melbourne or Victoria’s other ATSIC regions?
- P.220 Incomplete regions and experimental data appear counter-intuitive – could this data be explained?
- In general, the role of VET in schools has been ignored, however this is a valid senior school pathway that the joint ministerial has allowed introduced from Year 9. Also excludes Roma – SW College of TAFE Year 11 & 12 students. Eg P221.

DEPARTMENT OF EMPLOYMENT, TRAINING AND INDUSTRIAL RELATIONS (DIVISION OF TRAINING) RESPONSE

- The report supports the partnership and place management models that are being developed in Queensland, with an emphasis on Indigenous decision-making. It would be important that the Commonwealth joins in with the existing processes rather than create new consultative mechanisms.
- The reference on page xvi “for our final report, we will attempt to: consider what the concepts, such as partnerships and community control, mean in the very diverse circumstances of Indigenous people and

how collaborative structures might reflect those diverse circumstances” indicates that the committee may be interested in models such as the Aurukun negotiating table.

- Item 35 suggests a State-level Indigenous-controlled body that would be responsible for allocating funds to regional or local service delivery processes. Would this cover funding for a range of services, eg health, education, training. The Commonwealth would need to work alongside existing State and regional arrangements rather than create a new agency. The mechanism may be different for each State.
- The report has not acknowledged progress towards Indigenous decision-making in the States eg the 10 Year Plan in Queensland.

Training

- The data in item 3 on page 163 regarding participation rates by age does not acknowledge the age demographics of Indigenous people – i.e. there are more in younger age groups, hence a higher enrolment rate should be expected for younger groups.
- The report emphasises the high proportion of enrolments in access courses (eg item 19, page 167). Because of previous educational disadvantage, the high enrolments in these courses should not be seen as a negative. In fact, many people have moved through these courses onto tertiary and postgraduate study. As few Aboriginal people and Torres Strait Islanders have completed high school, it is a necessary stage – and more likely to yield positive outcomes subsequently. The issue is whether appropriate pathways are in place to ensure transition from access courses to higher level qualifications. Queensland data shows a considerable improvement in higher level outcomes over the last few years.

46. Agree. However, there is a plethora of training that is funded by agencies other than the Departments responsible for VET. The challenge is to scope the training provided by other agencies and to find mechanisms to link it to State VET planning.

51. Agree. The Industry Training Advisory Bodies have not met their obligations and provided Aboriginal people and Torres Strait Islanders with adequate information on the VET system.

- Support the comments regarding IESIP in items 49 and 50, pages 160 and 170.
- Table A –1 3 page 191
There is no inclusion of Indigenous Specific training (approximately \$3M). This does not seem to take into account the data provided to the Commission. The \$10.9M for Commonwealth Indigenous Specific funding appears high considering IESIP is below \$3M.
- Given the disadvantaged circumstances of the target group, the emphasis on measurement and performance may be unrealistic. A more pragmatic approach may be to define the pathways available and assess the pathways for outcomes.

7. EMPLOYMENT

DEPARTMENT OF EMPLOYMENT, TRAINING AND INDUSTRIAL RELATIONS RESPONSE

The Department of Employment Training and Industrial Relations appreciates the opportunity to comment on the Draft Report of the Commonwealth Grants Commission Inquiry into Indigenous Funding. The Department is committed to working in partnership with the Indigenous community and supports the consultative and negotiation processes already established.

- Point 16: Involving Indigenous People in Decision Making

With regards to employment issues, it may be possible for local needs to be channelled via the Department's Employment and Training Support Officers who are working with Indigenous people on these issues.

The Community Training Partnerships program provides opportunities for local communities to identify future employment opportunities and provides the training that helps the local community to meet these needs. It may be one mechanism for Indigenous communities to become more involved in training and employment.

Employment Issues

- Points 82 – 87: Employment Matters

While the majority of employment assistance is provided via Commonwealth grants, the State employment programs are achieving some positive outcomes for Indigenous people as follows:

- Private Sector Apprenticeship and Traineeship Employment Initiative has assisted 226 Indigenous people to date;
- Under the Public Sector Apprenticeship and Traineeship Employment Initiative, 35 Aboriginal and Torres Strait Islander Councils are participating and a total of 933 Indigenous persons have been employed as a trainee or apprentice in public sector organisations to date; and
- 761 Indigenous people have been employed under a Community Jobs Plan project with an additional 952 persons assisted under the Community Employment Assistance Project to date.