

## Budget Status Quo Will Just Widen the Gaps

In its second Budget, the Rudd Government's 'Closing the Gap' became more firmly entrenched as the overarching policy approach in Indigenous affairs. Again there was a separate Indigenous Affairs Budget Statement *Closing the Gap between Indigenous and Non-Indigenous Australians* but little media or any other commentary about whether the additional spend on Indigenous affairs will assist in meeting goals to reduce deeply-entrenched gaps in health, education, employment and housing and community infrastructure disadvantage.

The Global Economic Crisis has seen Indigenous affairs slip rapidly down the list of national priorities from the heady days of the National Apology just over a year ago; even faster than schemes to reduce carbon pollution.

At the outset it should be said that the Government is on safe political ground because we will not actually know how it is travelling in Closing the Gap until 2012, possibly two elections away, when 2011 Census data become available. Even the Australian Bureau of Statistics (ABS) Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians that is normally released in May each year has been delayed for technical reasons by the ABS to later this or early next year.<sup>68</sup>

So the mantra 'The Government is committed to a comprehensive, evidence-based approach to close the gap between Indigenous and non-Indigenous Australians' that is asserted pro forma in each of its seven 2009–2010 Indigenous Budget Media Releases rings a little hollow.

As in the last Rudd Budget, the Howard Government's Northern Territory Emergency Response (NTER) Intervention looms large, now new initiatives are divided between those that aim to Close the Gap for Indigenous Australians and those that aim to Close the Gap in the Northern Territory. This is a significant bifurcation.

First, in terms of new programs and allocations for 2009–10 and forward allocations to 2012–13, there are 16 new initiatives for Australia (some of which Indigenous Territorians can access) with a total allocation of \$467 million and 18 new initiatives for the Northern Territory with a total allocation of \$807 million (none of which Indigenous people outside the NT can access). A minimum 63 per cent of the new allocation of \$1,275 million over four years focuses on an estimated 13 per cent of Australia's Indigenous population. There is no statistical evidence that the Gap in the NT is so much greater than

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<sup>68</sup> Australian Bureau of Statistics, *Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians, Estimates from the Labour Force Survey*, 2009 (28 June 2011) <<http://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/52FCBA5E689BBD BACA2578BD0013E82D?opendocument>>.

elsewhere to justify such a disproportionate share of allocation.

Second there is a subtle, but significant, rhetorical shift that carries policy import: we no longer talk about the Northern Territory Emergency Response, but rather the more benign Closing the Gap in the Northern Territory.

Does the actual approach in the NT match the more benign tone in the policy narrative? Not in 2009–10 when a massive \$104 million remains allocated to income management or welfare quarantining. Interestingly in forward estimates the amount allocated is only \$2.1 million, suggesting that this paternalistic measure might end soon. A similar \$105 million is allocated to coordination and field operations, including here the cost of externally-imposed Government Business Managers, while only a paltry \$3 million is allocated to the Commonwealth Ombudsman to provide independent oversight of the NTER.

The big policy sleeper here that is mentioned several times is how the Australian Government will redesign compulsory income management (and alcohol and pornography controls) in consultation with Indigenous communities to ensure that they can continue without contravening the *Racial Discrimination Act 1975 (RDA)*. The goal of ‘unsuspending’ the *RDA* in the current *NTER Acts* is a commitment reiterated in the Budget: conformity with the *RDA* is recognised as a requirement to respect Australia’s international human rights obligations especially now that we have belatedly supported the *UN Declaration on the Rights of Indigenous Peoples*.

Just how this goal might be achieved is hinted at in a separate media release ‘Re-setting the Relationship between Indigenous and non-Indigenous Australians’ and an associated commitment of nearly \$150 million. This in turn suggests that the relationship might have been ‘unset’, especially in the NT where \$35 million is allocated. Much of this might have been linked, as suggested by the Independent Review of the NTER Intervention, to the coercive nature of the Intervention. ‘Re-setting the Relationship’ might be code for persuading prescribed communities that continued income management is a beneficial special measure that complies with the *RDA*.

The third plank in the Rudd Government’s new approach is the Council of Australian Governments (COAG) Indigenous National Partnerships announced in the communiqué of November 2008 committing \$2 billion in additional resources in the Budget and forward allocations (and then even more on housing for another five years).<sup>69</sup>

Since this announcement, 26 selected priority remote locations have been identified for enhanced housing and remote service delivery. Some quick maths indicates that the 15 communities in the NT might cover 21 per cent of the

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<sup>69</sup> COAG, above n 50.

Indigenous population there, in Queensland priority coverage for six communities will be limited to 3 per cent of the population, Western Australia's three locations to 2.8 per cent, South Australia's two communities to 2 per cent, and New South Wales' two townships to 0.1 per cent (Victoria, Tasmania and the ACT get nothing). This targeting is problematic on equity grounds—community size rather than any objective assessment of need seems to be the key determining factor.

Even more worrying are unconscionable delays in delivering housing and infrastructure to overcrowded prescribed communities in the NT (and possibly elsewhere). This is because of the long-term leasing conditionality for the provision of social housing imposed by Minister Macklin. We know, for example, that only four priority communities in the NT have agreed to leasing, and even at these, major building programs have not yet started. Clearly the 'National Emergency' rhetoric has not been matched by action on the ground and arguably the 'crash though' style of the previous Minister has been replaced by new institutional barriers in the form of land tenure reform created by the current Minister.

At an overall level, the spend on Indigenous-specific programs remains at about 1 per cent of the total Federal Government outlays for about 2.5 per cent of the population, with Indigenous access to mainstream measures still relatively unknown.

It is certainly of concern that there are no measures in this National Building and Jobs Plan Budget targeted specifically at Indigenous employed and unemployed. It is likely that Indigenous employed will be disproportionately represented in the swelling ranks of the unemployed; the Indigenous unemployment rate, already three times the national rate, will grow. This will result in inevitable poverty because Newstart payments remain frozen unlike pensions.

Coupled with the abolition of the CDEP program employment in regional Australia and a linking of CDEP payments with Newstart for new entrants in remote Australia, growing employment and income disparities between Indigenous and other Australians are inevitable.

The key message from Budget 2009–10 for Indigenous Australians in Australia (as distinct from just in the NT) is that there is too little targeting of enhanced support to the most marginal section of Australian society. There are a number of welcome new measures and additional allocations. But this Budget is, at best, about maintaining the status quo with the hope that economic recovery will see Indigenous re-engagement with the mainstream. This is a limited vision and strategy that might in itself not accord with the diverse aspirations of Indigenous Australians. The Global Economic Crisis will impact severely on the most marginal. If the goal is to close, rather than widen, the gaps, this

approach just will not be enough.

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