

## **BIG DOLLARS AND LITTLE SENSE**

'3.5 billion a year fails to lift Aborigines from the 1970s' screams one newspaper headline; 'Billions spent but Aborigines little better off' screams another, a little more benignly.

Evidently this is the key take out message from the 470-page Strategic Review of Indigenous Expenditure February 2010 which was made available just last month after an Administrative Appeals Tribunal decision recommended its release, in the public interest, under Freedom of Information laws.

But is this what the review actually said, and, if it did, was it correct? And, if it was correct, what were its recommendations for better outcomes from the so-called Indigenous specific spend by the Commonwealth, estimated to amount to \$3.5 billion in 2009–2010?

It is important to understand the objective of this review which was carried out by a team of nine consultants and bureaucrats over a seven-month period from August 2009.

It was tasked with assessing the effectiveness of the current array of Commonwealth Indigenous programs in meeting the Council of Australian Governments' Closing the Gap targets.

It was not about challenging the logic of the current policy framework or about producing dollar savings.

Its aim was to redirect funds from low value to high value programs.

Metaphorically, it was about re-arranging the deckchairs on the Titanic. Unfortunately it was conducted without a rigorous evidence-based assessment of what works and what does not.

That is, which deckchairs to keep and which ones to throw overboard. The review provides a very useful summary of the range and dollar value of Commonwealth Indigenous specific programs at one point in time.

It identifies 232 different programs administered by 16 Commonwealth agencies. In so doing, it highlights the developmental nightmare faced by any Aboriginal community or organisation seeking to access this funding maze.

Time and again the review notes that 75 per cent of the Indigenous population resides in regional and urban Australia.

It highlights that too much funding, especially in National Partnership Agreements struck since 2008, is focused on remote Australia if national gaps

are to be closed.

What I found most significant about the Review is what it targeted as wrong, that was quickly picked up by the popular media, and all the things that it did not say, because it was conceptually limited and politically timid as such reviews ‘undertaken within the Commonwealth government family’ often are.

At the outset the review stated the Commonwealth Government spend on Indigenous-specific programs total \$3.5 billion annually and that this major investment had been maintained over many years.

This statement is erroneous. The review only quantified expenditure for the 2009–2010 financial year after dollar commitments had been markedly increased from 2008 in a series of multi-year National Partnership Agreements (including the NT Intervention re-badged as the NPA to Close the Gap in the Northern Territory).

This erroneous statement was quickly converted in one media report to a spend of \$35 billion over the past decade.

The review then noted that large investments of government funding produced outcomes which had been disappointing, at best, and appalling, at worst.

This statement is surprising. It is made without any statistical evidence to support it.

This is despite the ready availability of official statistics from national censuses back to 1971 that tell a somewhat different story—almost all quantified socioeconomic outcomes for Indigenous Australians have improved, as have a number that measure the ratio of Indigenous to non-Indigenous outcomes.

Without doubt these outcomes have not improved fast enough, and also without doubt they would have improved quicker with a higher, more equitable and better targeted spend. What the review failed to do was to quantify what the spend should be on a needs basis given the historical legacy of neglect.

This can be most clearly demonstrated with the Review’s discussion of estimated Indigenous housing need compared to what will be provided by the \$5.5 billion earmarked over 10 years under the National Partnership Agreement on Remote Indigenous Housing.

The Australia-wide housing gap is estimated at between 7,700 and over 19,000 new houses, yet the agreement will only deliver 4,200 new houses.

This massive under-investment will result in severe overcrowding that will only exacerbate other Closing the Gap efforts. The Review made no effort to

conceptually grapple with what the term Indigenous-specific expenditure actually means and with what proportion of the identified \$3.5 billion actually reaches the target population.

To estimate whether Indigenous or non-Indigenous Australians benefit from Indigenous-specific expenditure is difficult to assess for both political and methodological reasons.

Nevertheless, there have been studies undertaken in regions like Alice Springs that show the spin off benefits of Indigenous-specific expenditure accrue mainly to non-Indigenous people.

Less complicated, perhaps, would be three strategic calculations that could have been readily undertaken by the Review.

First, what proportion of Indigenous-specific expenditure is supplementary to, rather than merely substituting for, citizenship entitlements?

An example would be expenditure on the Community Development Employment Program (CDEP) that mainly constitutes notional welfare offsets.

And given the recent institutional shift from community to public housing in remote Australia, is housing expenditure Indigenous-specific or an investment in a housing asset owned by the Australian state? Or can the state have it both ways, own an asset and call it Indigenous-owned at the same time?

Second, what proportion of the spend is invited by Indigenous people rather than imposed upon them? Two examples here might be the \$100 million spent on imposed income management; or the nearly \$200 million committed to resolve native title matters that reformed law might make less litigious and more streamlined.

And third, what proportion is primarily in the national rather than Indigenous interest? A key example is the \$143 million spent by the Environment portfolio mainly to support the management of Indigenous Protected Areas that form a part of the National Reserve System.

Surely the nation's conservation estate and biodiversity is being managed in the national, rather than just Indigenous, interest?

The Strategic Review of Indigenous Expenditure was very clearly not intended for public release or scrutiny: it makes some stock standard, but unstrategic, comments on the capacities of the states and territories and the real risks that they will not deliver, hardly tactful given the new cooperative federalism in Indigenous affairs.

And it rather unfairly devolves considerable representative responsibility to the National Congress of Australia's First Peoples. The Congress is in its institutional infancy and is still seeking national Indigenous legitimacy.

Addressing the hard policy issues is something that is out of vogue. Here are some that I would define as strategic.

First, given the extraordinary complex and deep Indigenous development problem in Australia, is the quest for statistical equality based on western social indicators a logical policy framework?

This is especially the case because most Indigenous specific expenditure is focused on remote regions where only 25 percent of the Indigenous population resides and where gaps will be most difficult to close.

Second, there are growing calls, even in this report, for bridge building and partnerships with Indigenous communities, but the institutional means to empower communities have been systematically dismantled over the past decade. What steps are being taken to repair the conflicted nature of relations between the Australian state and many of its Indigenous subjects?

And finally, identifying gaps as deficits according to dominant western social norms using the Indigenous population sub-file from the census or surveys provides an abstract aggregate of Indigenous individuals divorced from family, household or community contexts.

How to effectively target support to disadvantaged Indigenous people, especially in urban and regional contexts where most live, appears beyond the capacity of the authors of this report to imagine—it will require vibrant community organisations.

Little from this report has been implemented to date, most recommendations have been ignored. Evidently, the Gillard government and Minister Macklin are being strategic.

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