



RESEARCH NOTE

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Government Funding of Benefits to Indigenous Australians

In the 1994-1995 Commonwealth Budget the Government allocated \$1045.3m for Aboriginal and Torres Strait Islander programs and in 1993-1994, \$1363m. Of this, 65.2% or \$888m went to ATSIC of which programs worth \$157.3m or 17.7% was provided to other Commonwealth agencies which mostly substituted mainstream programs with ATSI specific programs. Very little of this money was provided in the form of individual specific entitlements to ATSI people. **Chart 1** shows that total Commonwealth assistance was shared by a number of different Commonwealth Government Agencies.

The 1993-94 program expenditure by ATSI organisations and Government agencies for ATSI services and benefits was estimated at \$984.279m. Where as the total identified expenditure on benefits that were directly acces-

sible and specific to ATSI persons was estimated to be \$107.363m. Of the overall assistance provided to ATSI persons, the amount provided as direct payments to individuals was on average less than 10% of the total funding. **Chart 2** compares the amount of ATSI specific assis-

tance provided as direct payments to individuals with payments that are provided indirectly as either services to Aboriginal and Torres Strait Islander people through Commonwealth agencies or funding through ATSI organisations for separate projects.

One of the main reasons why a substantial share of Commonwealth assistance is provided specifically to ATSI people is because indigenous Australians have difficulties fully utilising mainstream assistance programs. Indeed as **Chart 3** shows, many ATSI specific assistance programs, rather than being an additional cost to the Commonwealth, simply substitute for mainstream programs that are accessible to all Australians. For example, nearly half of the total amount allocated for educational expenditure for ATSI persons (**Chart 2**.

Chart 2. Assistance - Individual Entitlements/Total Fund Allocation

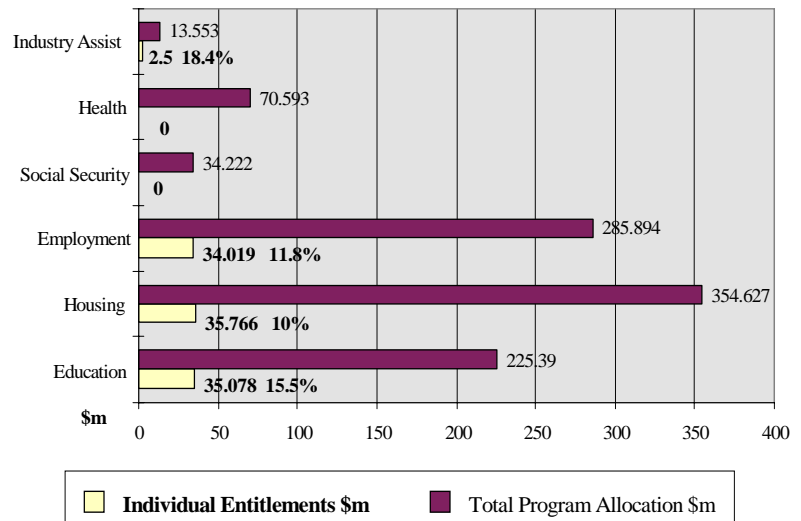


Chart 1. Commonwealth Expenditure by Portfolio 1993-94

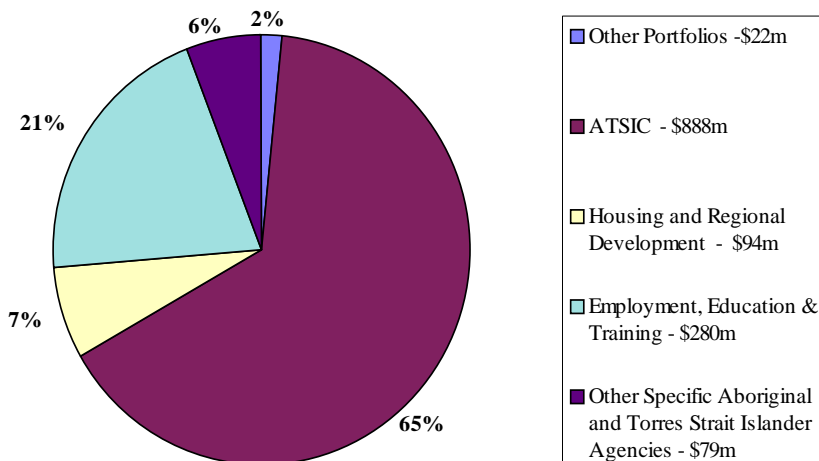


Chart 3. ATSI Specific Substitution for Mainstream Assistance Programs

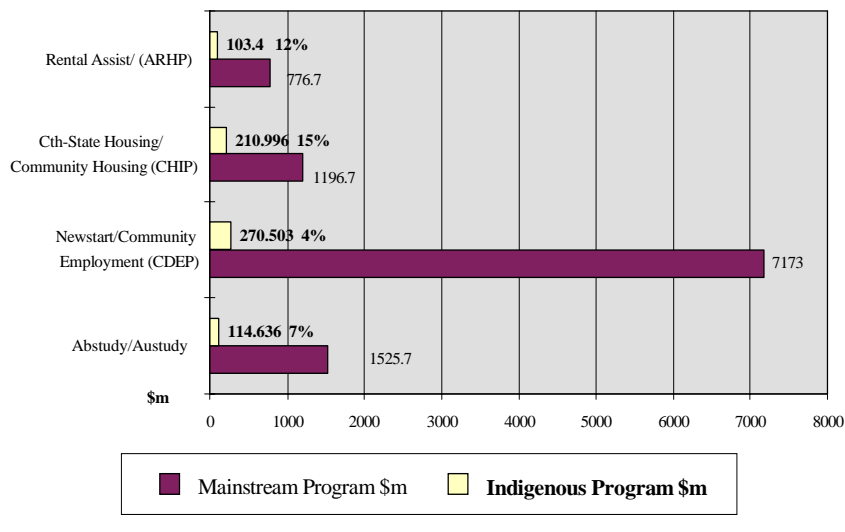
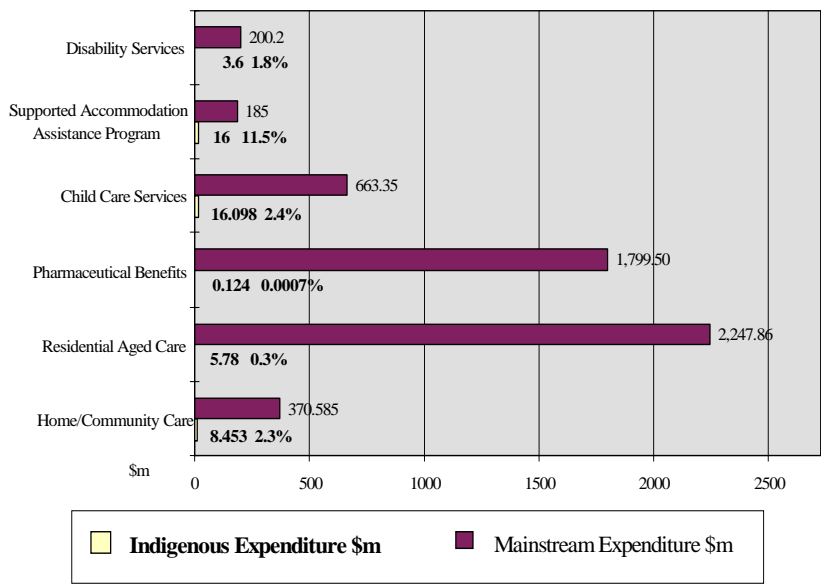


Chart 4. Utilization of Mainstream Assistance Programs



\$225.39m) is provided as Abstudy, a program substitution, as shown in **Chart 3** for Austudy entitlements which is a mainstream entitlement.

ATSI people tend to utilise mainstream services and benefits at a lower rate than other Australians. Moreover, it appears that where mainstream entitlements did not have an ATSI specific component, the ATSI user ratio was

disproportionately lower than other mainstream programs that have an ATSI specific component. In some instances, ATSI persons required further assistance just in gaining access to their correct mainstream entitlements (Social Services \$4.208m).

Of the Australian population, ATSI persons represent approximately 1.5%. However, the identified benefit expenditure for

ATSI persons when compared with the corresponding total services and entitlement allocations were in some cases significantly lower than the figure that would be expected. Expenditure levels of some programs with entitlements and benefits when compared, showed a disproportional lower level of ATSI program utilisation then the rest of the population as is illustrated in **Chart 4**. Some programs such as Pharmaceutical Benefits and Aged Care clearly showed ATSI utilisation was far below the expected level of program utilisation, which suggest an argument that the demographic determinants specific to ATSI people, such as shorter life expectancy, do play a major role in the lower level of ATSI use of certain programs. In contrast, utilisation of programs such as Support Accommodation and Community Care were disproportionately higher than the average, suggesting that chronic disadvantages are still forcing a significant proportion of Aboriginal and Torres Strait Islander people to be heavily reliant on basic social support services.

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