

## CHAPTER 3

### SERVICES TO THE INDIGENOUS POPULATION OF THE NORTHERN TERRITORY

- 3.1 The first part of the committee's terms of reference require it to examine:  
the level of service delivery and of outcomes achieved in Indigenous communities in the Northern Territory in relation to the expenditure of both Federal and Northern Territory monies;...
- 3.2 This is complex question in part because there is no commonly accepted figure (or figures) for the expenditure of both Federal and Northern Territory monies on services to Indigenous people. Services are provided by all three levels of government and Indigenous people utilize both mainstream and Indigenous-specific services and programs. While specific programs for Indigenous Territorians can be identified, the Indigenous 'share' of mainstream services provided by the various levels of government is more difficult to estimate and, in the case of the Territory government's general expenditure, it is a matter of some dispute.
- 3.3 This chapter seeks to identify specific funding while indicating important sources of mainstream funding. It also considers the debate over actual levels of expenditure by the NT Government on services to Indigenous people and, specifically the Territory's *Indigenous Expenditure Review*. With regard to service delivery and outcomes, the committee has drawn on evidence it has received and the very large number of reports looking at this subject that are now being produced.

#### **Commonwealth Expenditure**

- 3.4 The amount of Commonwealth revenue that, directly or indirectly, is spent on services to the Northern Territory's Indigenous population is difficult to estimate. Aggregate figures for identified expenditure are provided in the Australian Government Indigenous Expenditure reports<sup>1</sup> but these are not broken down by jurisdiction. While virtually every Commonwealth Department has some Indigenous related expenditure, the three major contributors are Education, Employment and Work Place Relations, Families, Housing, Community Services and Indigenous Affairs, (FaHCSIA) and Health and Ageing, with expenditures of \$814 million, \$2.2 billion and \$690 million on Indigenous services respectively.
- 3.5 Major expenditures by the Commonwealth through FaHCSIA include the Community Housing and Infrastructure Program (CHIP) - \$365m in 2007-08 - and

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1 See, Parliamentary Library, *Commonwealth Indigenous Specific Expenditure 1968-2008*, Table 7.

Community Development Employment Projects (CDEP) - \$192.5 million.<sup>2</sup> Indigenous people also use mainstream programs such as Medicare or the Pharmaceutical Benefits Scheme.

3.6 In 2007-08 the Northern Territory received a total of \$516.6 million in Commonwealth Specific Purpose Payments (SPP) for current and capital purposes.<sup>3</sup> Most SPPs are not Indigenous specific thus it is not possible to estimate what proportion of that expenditure provides services to the Indigenous community. The Northern Territory received the following amounts under those that are Indigenous-specific:

- Improving policing in very remote areas - \$259 000;
- Indigenous Education Strategic Initiatives Programme - \$32 872 000;
- Family Violence Partnership – \$529 000; and
- Housing assistance for Indigenous people – \$2 219 000.<sup>4</sup>

3.7 The Northern Territory Emergency Response, announced by the previous government in June 2007 and continued, with some modification, by the current Federal Government, has seen a major injection of additional funds – nearly \$1.4 billion committed over five years and \$466 million spent in 2007-08<sup>5</sup> - and an increased focus on the need to remedy some of the most glaring hardships faced by Indigenous people in the Territory.

## Local Government

3.8 A small number of SPPs are payments through the Territory government to local government. These comprise \$12.59 million in general purpose payments and \$12.84 million in local roads grants. Funding for local government is a specific issue for the Territory in that the local government revenue base in remote communities is very small while the range of services provided is more extensive than in other jurisdictions.

3.9 The NTER Review Board commented that:

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2 FahCSIA, *Annual Report 2007-08*, following p.81 Note that the CDEP figure is for the period December 2007 to June 2008 because of changes to portfolio responsibility. The full year expenditure was \$364 million.

3 *Final Budget Outcome 2007-08* (September 2008), pp. 72-76. This figure is above a per capita distribution of SPPs. A small proportion of SPP payments go through the Territory government to end recipients – local government or private schools for example. The majority are administered by the Territory.

4 *ibid.*, pp.72-76.

5 FaHCSIA, *Submission of Background Material to the Northern Territory Emergency Response Review Board*, (August 2008), Tables 2 and 3, p.44 & 45

...local governments deliver a wider range of services than is typical elsewhere in Australia, including some on an agency basis for other governments, such as acting as agents for Centrelink and undertaking management and repairs and maintenance of housing for Territory Housing.<sup>6</sup>

3.10 The NTER Review identified weakened community governance as a significant contributor to the 'social and economic dysfunction now evident in most communities' and saw the [re-]establishment of 'capable, legitimate community and regional governance systems' as an urgent priority for the Australian and Territory governments and essential to the wellbeing of communities.<sup>7</sup>

3.11 The NTER Review noted that:

...local government is significantly and structurally disadvantaged in the Northern Territory as a result of the current funding arrangements by the Commonwealth whereby grants are distributed on a per capita basis ...[with the result that] ... the Northern Territory receives less in local government funding than Geelong.<sup>8</sup>

Thus despite the greater demands placed upon it in the remote areas of the Northern Territory, local government's real capacity is inadequate to meet those demands.

3.12 A fundamental reform of the structure of local government is being undertaken in the Territory. A shire structure covering the whole Territory was established on 1 July 2008. The new shires will take over functions from community councils. The objectives of this change are:

...to develop strong regional local government, provide economies of scale in service delivery, underpin stronger management structures, increase the focus on local Aboriginal employment, and provide a stronger voice for local communities with other governments.<sup>9</sup>

3.13 This is, potentially, an important development. Local government should provide a means of identifying actual levels of service delivery and what is needed to improve them and, at the same time, a mechanism for targeting expenditure. However, as the NTER Review noted, it is too early to know whether the new arrangements 'will be regarded as culturally legitimate'. The submission to this committee from the Tiwi Land Council also expresses reservations about the potential of the new local government structure to address local disadvantage and regional need.<sup>10</sup>

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6 NTER Review Board Report, p.50.

7 NTER Review Board Report, p.55.

8 NTER Review Board Report p.50.

9 NTER Review Board Report p.55.

10 Tiwi Land Council. *Submission 5*, p.2.

3.14 The ramifications of a weak local government structure have been far reaching. In their submission to the committee Professor Altman and Ms Jordan commented that the inability of local government to provide basic municipal services had resulted in the diversion of funds from Federal and Territory departments to fill the gap and also in the substitution of mining royalties for public funding, distorting the purpose of royalty payments. CDEP has suffered from similar misuse, becoming a provider of basic services rather than an employment development program.<sup>11</sup>

### **Northern Territory Expenditure**

3.15 Expenditure by the Northern Territory Government in providing services to its Indigenous population is the issue which gave rise to this inquiry with claims that successive Territory governments had focussed expenditure disproportionately on the Darwin region and on large scale projects.<sup>12</sup>

3.16 The submission to this committee by the Central Australian Aboriginal Congress provides a brief summary of the perception of bias in expenditure:

- Provision of 'public amenities such as civic and recreational infrastructure far beyond what a small city like Darwin could normally afford';<sup>13</sup>
- Excessive expenditure on industry support and tourism promotion; and
- A preference for major capital works projects such as the Darwin Waterfront and Convention Centre and cruise ship terminal.<sup>14</sup>

3.17 As noted in the previous chapter these types of expenditures were contrasted with apparent underexpenditure of revenue distributed to the Territory partly in response to the additional costs it faces in providing services to Indigenous people and to remote communities.

3.18 In response to ongoing criticisms the Territory government undertook to provide an *Indigenous Expenditure Review* (IER) on a biannual basis – the only one of its kind in Australia. The first covered the financial year 2004-05 and the second, published in October 2008 covers 2006-07. The *Indigenous Expenditure Review* sets out to provide a 'robust, transparent measure of indigenous related expenditure and revenue'.<sup>15</sup>

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11 Centre for Aboriginal Economic Policy Research, *Submission 10*, p.2-3.

12 Rolf Gerritsen, ABC Radio, PM, 15 July 2008.

13 Central Australian Aboriginal Congress, *Submission 11*, p.2. Comparisons are made with major regional cities having similar or larger populations – Geelong, Townsville and Wollongong.

14 *ibid.*, p.2.

15 Government of the Northern Territory, *Indigenous Expenditure Review 2006-07*, October 2008, p.2.

3.19 The *Review* seeks to apportion all government expenditure on all services on the basis of the end user or beneficiary. As the report notes this is relatively straight forward where services are provided to identified individual users but becomes more complicated where the users of mainstream services are not identified as Indigenous or non-indigenous. Allocation of a proportion of the expenditure in support of a particular economic activity, for example tourism, or of machinery of government activities such as the Territory's Legislative Assembly is even more difficult.

3.20 The Territory's *Indigenous Expenditure Review 2006-07* estimates that, in that financial year, 52.4% (\$1.63 billion) of Territory expenditure was related to the Indigenous population.<sup>16</sup> The validity of these figures has been disputed on the grounds of methodology, the actual proportion to be attributed to the Indigenous population and, perhaps most importantly, what conclusions may be drawn from the results.

The NT Government's 2006-07 Indigenous Expenditure Review provides an alternative view that 52 per cent of Territory expenditure was Indigenous related. However, the report is riddled with systematic errors including assumptions and judgments on methodology, total lack of independence and summary tables of funding which offer no breakdown whatsoever of departmental budgets.<sup>17</sup>

3.21 The methodology of the Review has been criticised as containing an element of subjectivity in allocating a proportion of the cost of non-Indigenous specific programs to the Indigenous community. For example, where 'use and cost data was not available, other third-party data sources and/or judgement from operational managers have been applied to determine indigenous related expenditure'.<sup>18</sup> Similarly the IER seeks to apportion costs on the basis of downstream benefits from specific policies. It cites, for example business support directly to '...a pastoralist receiving drought assistance or a mango farmer receiving a small business grant' from which the whole community benefits through "...employment, increased production and better quality product'.<sup>19</sup>

3.22 However, the Territory's Auditor-General has examined the IER and reported that it '...presents fairly, in all material respects, the financial and statistical information that is attributable to the indigenous residents of the Northern Territory'.<sup>20</sup> Thus, in terms of the second part of the committee's terms of reference, the IER may

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16 *Indigenous Expenditure Review 2006-07*, p.3.

17 Central Land Council, *Submission 7*, p.3. See also, Mr Hansen, President NTCOSS, Committee transcript, Darwin, 30 October 2008, p. 21; NTCOSS submission, p.8; NT Shelter submission, p.4.

18 *Indigenous Expenditure Review 2006-07*, p.7.

19 *ibid.*, p.8.

20 *ibid.*, p.i.

be seen as a useful guide to gross levels of expenditure generally attributable to the Territory's Indigenous community.

3.23 Much of the disputation with regard to the IER turns on the use of the term 'indigenous related expenditure'. The IER does not claim that 52% of Territory expenditure goes directly to the provision of tangible services to Indigenous end users. The IER is an accounting exercise which seeks to allocate an appropriate proportion of all NT Government expenditure to the Indigenous community. The figure includes a proportion of the 'administrative tail' which supports service provision; machinery of government and central office costs and also a proportion of the expenditure on activities that may provide a general benefit to the community, such as industry support.

3.24 In terms of the first part of the committee's terms of reference - levels of service delivery and outcomes – the IER is less relevant. Allocating a proportion of the cost of a service does not necessarily mean that a proportionate benefit accrued to that particular group or that a measurable outcome was achieved within the community. It may be reasonable to describe 30.4% of the cost of the Legislative Assembly (exactly proportional to the Indigenous proportion of the total population of the NT) as accruing to the Territory's Indigenous community but it is hardly a useful indication of a service providing a tangible, proportionate benefit to that community.

3.25 As Professor Altman and Ms Jordan note in their submission to the committee, it is also important to apply the concept of positive and negative funding to expenditure, '...the former reflecting past disadvantage, the latter future prospects'.<sup>21</sup> For example, 58.7% and 64.0% of the expenditure on Police, Fire and Emergency Service and Justice respectively are described as Indigenous-related. Those figures may be accurate but to the extent that they reflect the over-representation of Indigenous people in the Criminal Justice system, the expenditure may equally well be described as indicators of continuing disadvantage or social dysfunction as of a 'service' to the Indigenous community.

3.26 The 59.9% of Health and Community Services expenditure attributed to the Indigenous population may be taken as an indicator of that group's disproportionately poor health status and/or of its over reliance on public hospital and community health services when compared with the non-Indigenous population. In terms of actual expenditure, the Australian Institute of Health and Welfare (AIHW) report estimates that in 2004-05 the Indigenous share of Northern Territory health services expenditure was 58.8%.<sup>22</sup>

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21 CAEPR, *Submission.3*, p.4.

22 Australian Institute of Health & Welfare, *Expenditures on Health for Aboriginal and Torres Strait Islander Peoples 2004-05*, Health & Welfare expenditure series No 33, (Canberra 2008), p.22, table 2.12. The ratio of Indigenous to non-Indigenous per capita health expenditure was 3.35:1.

3.27 The AIHW report demonstrates that the disproportionate expenditure on public services can be an indicator of relatively poorer access to the range of health services than that available to the rest of the community. Public expenditure on Indigenous health care was higher per capita than the Australian average because Indigenous Australians make disproportionately greater use of public hospitals and community health centres which are State and Territory funded but make significantly less use of Commonwealth funded programs such as Medicare and the Pharmaceutical Benefits Scheme (PBS). In addition Indigenous Australians make much less use of private health services.<sup>23</sup>

3.28 The AIHW/ABS report, *The Health and Welfare of Australia's Aboriginal and Islander Peoples 2008* commented that, Australia-wide:

...average expenditure on health goods and services for Aboriginal and Torres Strait Islander people was \$4718 - some 17% higher than the expenditure for non-Indigenous people (\$4019). Considering the high level of morbidity ... and mortality rate that are more than twice those for other Australians, these figures suggest that expenditures...were not sufficient to match needs.<sup>24</sup>

3.29 These comments illustrate the limited utility of bare expenditure figures in providing any guide to what is actually happening within a given community.

3.30 A second consideration in interpreting the IER is that it aggregates figures for the whole Territory – urban, remote and very remote. Yet it is clear that access to services varies greatly depending on location. It is thus much more useful to look at actual outcomes for the Territory's indigenous population both at an individual and a community level than to become bogged down in discussion of accounting techniques.

### **Service Delivery and Outcomes Achieved**

3.31 The delivery of services and the outcomes achieved among Australia's indigenous population are the subject of extensive scrutiny. In the recent past the Steering Committee for the Review of Government Service Provision (SCRGSP), in its report, *Overcoming Indigenous Disadvantage*<sup>25</sup>, has provided a comprehensive review of the 'key indicators of indigenous disadvantage'. The SCRGSP also produces the *Report on Government Services 2008* and abstracts from that an *Indigenous*

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23 *Expenditures on Health, op cit*, pp.7-8. Tables 2.1 & 2.2. 30.6% of non-Indigenous expenditure on health relates to private provision compared with 7% for Indigenous Australians.

24 AIHW/ABS, *The Health and Welfare of Australia's Aboriginal and Islander Peoples 2008*, p.188.

25 SCRGSP, *Overcoming Indigenous Disadvantage: Key Indicators 2007*, Productivity Commission, Canberra, 2007

*Compendium*<sup>26</sup> which provides a thorough overview of service provision in all states and territories.

3.32 There are numerous other reports and studies that deal with particular services or issues and contribute to our knowledge of service provision and outcomes for the Indigenous communities in the Northern Territory. The Australian Institute of Health and Welfare report on expenditure and *The Health and Welfare of Australia's Aboriginal and Islander Peoples* referred to above are valuable sources.<sup>27</sup> The NTER was precipitated by the *Little Children are Sacred* report into child abuse in 2007. Reports being produced by the NTER and the Review report also provide information on service provision and outcomes.

3.33 The Senate has also established a Select Committee on Regional and Remote Indigenous Communities with terms of reference that require it to investigate and report regularly throughout the life of the current Parliament on:

- (a) the effectiveness of Australian Government policies following the Northern Territory Emergency Response, specifically on the state of health, welfare, education and law and order in regional and remote Indigenous communities;
- (b) the impact of state and territory government policies on the wellbeing of regional and remote Indigenous communities;
- (c) the health, welfare, education and security of children in regional and remote Indigenous communities; and
- (d) the employment and enterprise opportunities in regional and remote Indigenous communities.

3.34 Before considering the findings of these reports the committee notes the SCRGSP comment that, while concentrating on 'disadvantage experienced by many Indigenous people' it is important not to lose sight of the fact that '...most Indigenous Australians live constructive and rewarding lives, contributing to their families and wider communities'.<sup>28</sup>

3.35 These reports, at a general level, present a mixed picture of improvements in many areas but a persistent gap between outcomes for Indigenous Australians and the rest of the population. The SCRGSP report finds improvements in a number of areas but it concludes that:

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26 SCRGSP, *Report on Government Services Provision 2008, Indigenous Compendium*, Productivity Commission, Canberra 2008.

27 AIHW/ABS, *The Health and Welfare of Australia's Aboriginal and Islander Peoples 2008*. The committee also notes the comment of Professor Jon Altman in his submission to the committee that, '... 2008 has seen an historically unprecedented number of reviews in indigenous affairs policy'.

28 SCRGSP, *Overcoming Indigenous Disadvantage*, op cit p. iii. This report includes many examples of "things that work".



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...even where improvements have occurred, Indigenous people continue to do worse than other Australians. And many indicators have shown little or no movement. Indeed in some areas, particularly criminal justice, outcomes for Indigenous people have been worsening.<sup>29</sup>

3.36 A summary of the headline indicators in the SCRGSP report confirms that outcomes for Indigenous Australians remain significantly worse than for the community as a whole. Life expectancy, '... an indicator of the long term health and well being of a population' is 17 years lower for the Indigenous community than for the total population, with Indigenous males in the Northern Territory having the lowest life expectancy.<sup>30</sup>

3.37 Another study finds that:

Indigenous health status has improved considerably in recent decades. There is still however substantial disparity between life expectancy measures of the Indigenous and non-Indigenous populations<sup>31</sup>

3.38 With regard to disability and chronic disease the SCRGSP report presents a bleak picture of high incidence of chronic disease and, in some cases, for example kidney disease, a widening gap between the Indigenous and non-Indigenous population.<sup>32</sup> The AIHW/ABS report, looking specifically at the Northern Territory, concluded that, for a range of common chronic diseases examined over the period 1977-2001, and despite improvements in some conditions, 'The ratio of Indigenous mortality rates in the Northern Territory to total Australian mortality increased for all six chronic diseases'.<sup>33</sup>

3.39 In education, school retention rates at years 10 and 12 were significantly lower and educational outcomes worse.<sup>34</sup> Labour force participation and unemployment outcomes have shown some improvement but lag significantly behind national averages.<sup>35</sup> These trends are repeated across virtually all indicators.

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29 SCRGSP, *Overcoming Indigenous Disadvantage*, Foreword, p.3.

30 *ibid.*, p.11.

31 AIHW/ABS *op cit.*, p.184-5, quoting a study that shows significant improvements in Indigenous life expectancy in the Territory in the period 1967-2004.

32 SCRGSP, *Overcoming Indigenous Disadvantage*, p.12, Box 1.2.

33 AIHW/ABS, *op cit.*, p.184.

34 SCRGSP, *Report on Government Services 2008, Indigenous Compendium*, tables 4A.42 to 4A.52 show that Indigenous students at years 3, 5 & 7 perform significantly worse against the standard reading, writing and numeracy benchmarks than the average of all students in other States and Territories, that the gap increases with age and that the gap between Indigenous and non-Indigenous students is significantly wider in the Territory.

35 SCRGSP, *Overcoming Indigenous Disadvantage*, Overview. Participation in CDEP tends to increase labour force participation and reduce unemployment outcomes.

3.40 Among the most valuable of recent studies are those by CAEPR of the Thamarrurr region of the Northern Territory, which includes the Wadeye community.<sup>36</sup> Detailed reports at the regional or community level provide a much clearer analysis of actual conditions and outcomes achieved than either Territory-wide statistics or expenditure figures. They are also a necessary base for policy making and service delivery at the local level since they reflect the unique circumstances and needs of each community.

3.41 Professor Altman, Director of CAEPR, in his introduction to the second of these papers summarised Thamurrurr as having a '...population that is relatively sick, poorly housed, illiterate, innumerate, on low income, unemployed and with sub-standard physical infrastructure'.<sup>37</sup> The 2005 report concluded that '...after accounting for all government dollars and transfer payments...far less is spent on [Thamarrurr residents] per head than is spent on the average Territorian' and '...a key factor in this deficit is an apparent gross underspending on education at Thamarrurr of some \$3.2 million largely reflecting low levels of school attendance'.<sup>38</sup>

3.42 The committee notes that Wadeye is not typical of Territory indigenous communities and has been the focus of much adverse publicity. However it is important as an example the interconnected nature of the problems facing Indigenous communities and of costs of failure to address these problems.

3.43 A brief summary of the Thamurrurr studies provides both an insight into the current situation in a remote community and the costs of remedying the deficiencies. Less than 20% of adults are employed and only a small proportion of that group have employment outside CDEP. More than 40% of adults are outside the labour market altogether. With regard to education, both school enrolment and attendance are very low with the result that '...only a handful of school leavers enter working age with high school level achievement and skills'. The outcome for the vast majority of Aboriginal adults is that they are "effectively marginalised in any competition for jobs ...".<sup>39</sup>

3.44 With regard to housing, 'the occupancy rate is currently 16 persons per functional dwelling, with the cost of meeting agreed standards...estimated at \$52 million'. On top of this, funding for maintenance and expansion of housing stock in response to population growth is required. Health status, indicated by a median age at

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36 J Taylor, *Social Indicators for Aboriginal Governance: Insights from the Thamurrurr Region, Northern Territory*, CAEPR Monograph 24, 2004 & J Taylor & O Stanley, *The Opportunity Cost of the Status Quo in the Thamarrurr Region*, Centre for Aboriginal Economic Policy Research (CAEPR), Working Paper 28/2005. These reports arose out of a COAG program.

37 *The Opportunity Cost of the Status Quo in the Thamarrurr Region*, Foreword.

38 *ibid*, p.xii. The report notes that funding for those actually attending school is slightly higher than the Territory average but the attendance rate is very low and expenditure per child of compulsory school age in Thamurrurr is 47% of the average.

39 Taylor & Stanley, *op cit*, p.6, 7.

death - 46 years - is worse than the average for Indigenous people in the Territory, and is attributable solely to higher male mortality.<sup>40</sup> The report notes that this points up the:

...significance of ongoing backlogs in achieving adequate environmental health infrastructure (including a reduction in overcrowded dwellings), a continuing gap between ideal and actual staffing levels in health personnel, and difficulties in achieving better nutritional status...<sup>41</sup>

3.45 Interaction with the criminal justice system is identified as a 'pressing issue' having a significant bearing on an individuals prospects of 'participating in the regional society and economy...'. Ten per cent of adults are in custody at any one time with a significant group of '...children of primary school age who essentially experience an apprehension-free apprenticeship into recidivist behaviour'. Taylor postulates a link between '...lack of participation in schooling..., the low level of youth labour force participation, and the scale of youth participation in recidivist activity'.<sup>42</sup>

3.46 In submissions to this committee Indigenous councils provide examples of significant backlogs in infrastructure provision and a very limited government response. For example, the Tiwi Land Council states that 75% of the 210 houses in Nguiu, the islands' largest community, are unfit for human habitation yet it has received funding for only 9 houses in the past decade.<sup>43</sup>

3.47 What emerges clearly from the literature, of which this is a very brief summary, is that both services available and outcomes for Indigenous people, particularly in the remote areas of the Northern Territory, are not close to the national average. A second point that can be made is that the interactions of service deficiencies and poor outcomes are complex and have compounded over a long period. Poor housing leads to overcrowding and contributes to low health status. Inadequate education facilities discourage school attendance while poor educational outcomes exacerbate employment difficulties which feed back into a perception that education is irrelevant.

3.48 As the NTER has shown the problem of child abuse cannot be considered in isolation from the effective functioning of the full range of services which any Australian community should have reasonable access to. The First Report on the NTER – *One Year On* – reports a range of actions across the areas of public administration, police and justice, family services, youth programs, welfare,

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40 Taylor & Stanley, op cit, p.7. These figures are calculated for the Daly statistical area, which includes Thamurrurr.

41 Taylor & Stanley, op cit, p.8.

42 Taylor & Stanley, op cit, p.8.

43 Tiwi Land Council, *Submission 5*, p.2.

employment, child and family health, education and housing which are necessary to address the core issue of child abuse.<sup>44</sup>

## Conclusion

3.49 In the committee's view it is not useful to seek to attribute this situation to any particular tier of government. The problems are of long standing and represent the accumulation of failures by successive governments. A recent study of this issue noted that, at self-government in 1978 the Commonwealth had retained responsibility for water, power and sewerage infrastructure in a significant number of remote communities in the Territory. The Northern Territory government claimed, during negotiations on the transfer of these services to the Territory in 2007, that the Commonwealth failed to provide these services.<sup>45</sup> Provision of services to Indigenous communities is not served by these sorts of unproductive disputes.

3.50 It is clear from the submissions and other material available to this inquiry that the issues facing Indigenous Australia have been thoroughly studied and are clearly understood. In their submission to the committee Professor Altman and Ms Jordan from CAEPR make the observation that '...2008 has seen an historically unprecedented number of reviews in Indigenous affairs policy, certainly compared to any other period over the last 30 years'.<sup>46</sup>

3.51 Addressing these issues will not be easy. Despite the considerable resources devoted to Indigenous services, improvements have been hard won. Altman and Jordan comment that,

The system of funding has...failed to address the two key issues of capital versus recurrent expenditure and positive versus negative funding. The system is not geared to take account of Aboriginal aspirations, does not sufficiently fund Outstation Resource Agencies and does not adequately account for the small, dispersed nature of the more than 500 Aboriginal communities scattered throughout the NT. The sheer number and small scale of such communities raises problems of dispersed governance and diseconomies associated with small scale that would provide a deep challenge to any system of funding support.<sup>47</sup>

3.52 The problems that this dispersion creates are compounded by the range and diversity of 'Indigenous communities' and by the high level of mobility of Indigenous people. The NTER Review summarised it thus;

There has been a major displacement of Aboriginal people to settlements and urban fringe over the past century...A substantial proportion of

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44 FaHCSIA, *One Year On*, June 2008, pp.3-4

45 Dillon & Westbury, *op cit*, p.187.

46 CAEPR, *Submission 10*, p.1.

47 CAEPR, *Submission 10*, p.1.

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Aboriginal people do not live on their traditional country...Traditional owners are often a minority in their own land...

3.53 As a result Indigenous communities are socially and culturally complex, each of them having a unique character. This means that they cannot be dealt with effectively by generalised policy approaches. As the Review noted, policies must be '...based on a real understanding and appreciation of the cultural setting in which that engagement is sought'.<sup>48</sup>

3.54 The committee has noted in the previous chapter that the distribution of the GST pool by the Commonwealth Grants Commission does not provide funding to address longstanding backlogs in the provision of infrastructure or to deal with the consequences of inadequate service provision over time. The cost of addressing the infrastructure and service backlog has been estimated by the Northern Territory Government to be in the range of \$2 to \$3 billion and it comments that "... the quantum of funds required remains beyond the fiscal capacity of the Northern Territory".<sup>49</sup> Thus it is important to look to what is being done to remedy these problems.

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48 NTER review, p.19.

49 NT Government, submission, p.iv estimates that \$2.85 billion is required. The Central Land Council submission, p.2, quotes figures of \$2 million for 'housing and infrastructure backlogs and a further \$600 million...to fund unmet service and repairs and maintenance needs'.