CHAPTER 5

Mainstreaming of service delivery

Introduction

5.1 In April 2004, the Australian Government announced the transfer of Indigenous programs from ATSIC/ATSIS to existing mainstream Australian Government departments and agencies. On 1 July 2004, this policy was put into effect with the transfer of the programs and some 1,300 ATSIS staff to the various line agencies:

> These include the CDEP; municipal services; the housing program; smaller programs associated with community participation, capacity development and return of remains; funding for arts centres, the sports program and the broadcasting program. They all go from 1 July to mainstream agencies.[1]

5.2 The Government has also stated that despite the new arrangements, all Indigenous specific programs and services will continue, as will all 'agreed funding for Indigenous service-delivery organisations in 2004-05.[2] In addition, all departments in receipt of previous ATSIC/ATSIS funding 'are required to quarantine and track funds transferred … to ensure that funding levels for Indigenous-specific initiatives are maintained.'[3]

5.3 It was claimed that these new arrangements would usher in:

> … a fundamentally different approach across the Australian Government … a collaborative model across agencies … to ensure that things are done very differently, the necessity for flexibility to recognise the diversity of circumstances in which Indigenous Australians live, and the sort of services that will be most effective for them.[4]

5.4 The 'mainstreaming' policy was widely criticised by many submissions to this inquiry. Considering that mainstreaming was a retrograde step in Indigenous affairs, one witness considered that:

> … splitting up ATSIC and sending the different matters that ATSIC used to handle into the mainstream… is very detrimental to the Indigenous population. … We see the splitting up and mainstreaming of the various different programs as a huge step backwards. [5]

---

1   Mr Gibbons, *Committee Hansard*, Canberra, 29 June 2004, pp. 28-29.

2   http://www.oipc.gov.au/About_OIPC/new_arrangements/TransferringPrograms.asp, accessed 28 February 2005.

3   ibid.

4   Mr Yates, *Committee Hansard*, Canberra, 29 June 2004, p. 2.

5   Mr Dore, *Committee Hansard*, Cairns, 27 August 2004, p. 21.

5.5   One witness explained the need for 'separate' service delivery:

> We want to be different not because we would get different service
> provision but because it means bottom of the pack in service delivery. That
> is what it means, and turning up in an advisory capacity is just that: you are
> just advising people. There is no impetus for them to take your advice and
> go with it. It is nothing more than that. Once you are caught in that political
> nexus with governance models you are never in control of self-determining
> and self-managing.[6]

5.6   This chapter explores the new service delivery policy of 'mainstreaming', and analyses some strengths and weaknesses.

Old problems – the need for a new approach

5.7   As chapter 2 concluded, while there were problems with ATSIC and its program delivery, ATSIC cannot be held solely responsible for the results of programs – often delivered from the outset by mainstream agencies – that have failed to improve the levels of Indigenous disadvantage over the past 30 years.

5.8   Australia's past approaches have simply not been making acceptable headway. The fact that Indigenous Australians have a lower standard of living to that of non-Indigenous Australians is well documented.[7] This has been further acknowledged by the Council of Australian Governments by its formation of the *Key Indicators to Overcoming Indigenous Disadvantage*.[8] In areas as diverse as school retention, life expectancy, imprisonment rates, home ownership and labour force participation, Indigenous Australians are at a distinct disadvantage to non-Indigenous Australians, and often dramatically so.[9]

5.9   The lack of accessible, effective and comprehensive service delivery to Indigenous Australians both compounds the problems and renders their solution more difficult, as cycles of poverty and disconnectedness become entrenched over time and generations. These problems were acknowledged and enumerated by the 2003 ATSIC Review,[10] which in its analysis of the Commonwealth Grants Commission *Report on Indigenous Funding 2001*,[11] considered that:

---

6   Mr Fry, *Committee Hansard*, Darwin, 24 August 2004, p. 74.

7   See, for example, Commonwealth Grants Commission, *Report on Indigenous Funding* 2001; Productivity Commission, *Overcoming Indigenous Disadvantage – Key Indicators 2003,* Canberra.

8   Productivity Commission, *Overcoming Indigenous Disadvantage-Key Indicators 2003*, Canberra.

9   ibid, pp. 1-17. See, for example, p. 17, where Indigenous Australians are reported to be 17 times more likely to be incarcerated than non-Indigenous Australians as at June 2002.

10   *In the Hands of the Regions – A New ATSIC; Report of the Review of the Aboriginal and Torres Strait Islander Commission*, Commonwealth of Australia, November 2003.

11   Commonwealth Grants Commission, *Report on Indigenous Funding*, 2001.

- Aboriginal and Torres Strait Islander Australians in all regions and across all function areas experience entrenched levels of disadvantage compared to other Australians.

- Needs are greater in remote areas.

- Supplementary funds provided through ATSIC and other agencies are forced to do too much work, due to barriers to access to mainstream programs.

- Australia's federal system obscures responsibilities between various levels of government and creates opportunities for cost shifting, both between governments and between agencies at the same level of government.

- The Australian Government has a limited capacity to direct the States and Territories in the use of funds notionally supplied for Aboriginal and Torres Strait Islander advancement.

- The Australian Government's funding is generally not allocated on the basis of need, except in the area of housing and infrastructure.

- The link between funding and outcomes is not necessarily a direct one, but hedged around by many complexities.

5.10   The ATSIC Review panel went on to list the key areas for action devised by the Commonwealth Grants Commission in addressing the problems in service delivery. These included:

- The full and effective participation of Indigenous people in decisions affecting funding distribution and service delivery.

- A focus on outcomes.

- Ensuring a long term perspective to the design and implementation of programs and services, thus providing a secure context for setting goals.

- Ensuring genuine collaborative processes with the involvement of government and non-government funders and service deliverers, to maximise opportunities for pooling of funds, as well as multi-jurisdictional and cross-functional approaches to service delivery.

- Recognition of the crucial importance of effective access to mainstream programs and services, and clear actions to identify and address barriers to access.

- Improving the collection and availability of data to support informed decision making, monitoring of achievements and program evaluation.

- Recognising the importance of capacity building within Indigenous communities.[12]

---

12   *"In the Hands of the Regions'*, p. 21.

5.11   Others expressed the problem in terms of a lack of effective partnership between jurisdictions and service providers. NACCHO said that:

> Throughout our sector, we have a lot of valuable experience that we feel is not going to be heard at the national level. There is no national partnership. We do not have a partnership with the Commonwealth, as there are in the states and territories. Partnership arrangements are very important to us, because at the table you can plan for broad resource allocation. If you are not doing that, the resources do not hit the ground, so we need to get the resources to the service delivery sector.[13]

The Productivity Commission Report 2003

5.12   Commissioned by COAG from the Productivity Commission, the report *Overcoming Indigenous Disadvantage – Key Indicators 2003 Summary*, is an attempt to identify and document the root causes of Indigenous disadvantage. The first report provides policy makers with a broad snapshot and benchmark of the state of Indigenous disadvantage in 2003.

5.13   The report identified three interlinked, priority outcomes for Indigenous people:

- safe, healthy and supportive family environments with strong communities and cultural identity;

- positive child development and prevention of violence, crime and self-harm; and

- improved wealth creation and economic sustainability for individuals, families and communities.

Headline Indicators

5.14   The report sets out a series of indicators of Indigenous disadvantage, measuring the main social and economic factors to be targeted:

- life expectancy at birth

- rates of disability and/or core activity restriction

- Years 10 and 12 retention and attainment

- post-secondary education participation and attainment

- labour force participation and unemployment

- household and individual income

- home ownership

- suicide and self-harm

---

13   Ms Delaney-Thiele, *Proof Committee Hansard*, Canberra, 3 February 2005, p. 69.

- substantiated child protection notifications

- deaths from homicide and hospitalisations for assault

- victim rates for crime

- imprisonment and juvenile detention rates

5.15   These are the end result of a chain of other factors, some long-standing, and are not amenable to direct policy intervention. A series of areas for policy strategy and intervention is therefore identified.

Strategic Areas for Action

5.16   Seven areas were identified as having the potential to have significant and lasting effect:

- early childhood development and growth (prenatal to age 3)

- early school engagement and performance (preschool to year 3)

- positive childhood and transition to adulthood

- substance use and misuse

- functional and resilient families and communities

- effective environmental health systems

- economic participation and development

Data issues

5.17   The report was compiled from census, survey and administrative data. The report also identified deficiencies in the data available; there are limitations in this data due to the differences in the ways 'Indigenous' is defined. This was elaborated on at the public hearing for the benefit of the Committee:

> …in some places they will ask people to fill in a box … In some cases they do it by self-identification … that is by the person recording the data looking at the person and saying, 'I think that you are Aboriginal,' and ticking a box. Those sorts of identification systems tend to give rise to questions about the reliability of the data.[14]

5.18   From the data, 'key messages' were concluded under each Headline Indicator. For example, under 'Life expectancy at birth', the key message was that life expectancy for Indigenous people is 20 years lower than that of the general Australian population.

5.19   Several priorities for improvement in the collection and development of data for Indigenous people were identified as required for future reports.

---

14   Dr Robyn Sheen, *Proof Committee Hansard,* Canberra, 18 February 2005, p. 6.

'New' mainstreaming

5.20   In explaining the new direction for service delivery, and the meaning of mainstreaming, government officials stressed the difference between 'old' and 'new' mainstreaming. The bulk of respondents based their comments on an interpretation of mainstreaming based on departments delivering the same undifferentiated services to all consumers, regardless of differences in locality, ethnicity or levels of disadvantage.

5.21   Dr Shergold, the Secretary of the Department of the Prime Minister and Cabinet, described this approach as 'an enormous failure'.[15] 'Old' mainstreaming was characterised by four main ingredients:

> The first is that you do not have indigenous specific programs. The second is that each department makes its own decisions in a non-coordinated way. The third is that you do not have an Indigenous specific agency. The fourth is that you have national programs that are delivered in the same way no matter where they are delivered.[16]

5.22   Dr Shergold distinguishes this with the current proposal which he claimed is completely at odds with each of those four criteria.[17] The new arrangements are part of a whole of government approach across the Australian Public Service, as outlined in the *Connecting Government – whole of government responses to Australia's priority challenges* policy document. The report defines whole of government in the APS as:

> public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. They can focus on policy development, program management and service delivery.[18]

5.23   The approach recognises that most complex social issues cannot be tackled from any one perspective, since success in rectifying one problem will often be undermined by failure in another. As Dr Shergold told the Committee:

> I learnt when I was secretary of the education department that I could not improve the standard of education in schools if I was not also dealing with the hearing problems that the kids suffered. I knew that I could not get good results in schools if, when children returned home at night, they were subject to family violence. In other words, we have to link the whole together … [19]

---

15   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 2.

16   ibid.

17   ibid.

18   Department of Prime Minister and Cabinet, Management Advisory Committee, *Connecting Government: Whole of Government Responses to Australia's Priority Challenges*, Canberra, p. 1.

19   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 2.

Five principles of new approach

5.24   According to the Office of Indigenous Policy Coordination (OIPC), the whole of government approach within Indigenous affairs incorporates five basic principles:

- **collaboration:**   All key government agencies are required to work together within a framework of cooperative structures – from the Ministerial Taskforce and Secretaries Group in Canberra, to the network of regional offices.

- **regional need:**   Indigenous Coordination Centres (ICCs) 'will work with regional networks of representative Indigenous organisations to ensure that local needs and priorities are understood. ATSIC Regional Councils will [until 1 July 2005] be consulted and, over time, ICCs will work in partnership with a cross-section of representative structures that local Indigenous people decide to put in place.'[20]

- **flexibility:** Previously rigid program guidelines will give way to a more flexible approach, eventually enabling funds to be 'moved between agencies and programs, to support good local strategies and whole-of-government objectives.'[21] Ministers will be advised by regional Indigenous networks and the National Indigenous Council (NIC) in formulating a single Budget submission for Indigenous-specific funding, which will supplement the delivery of mainstream programs.

- **accountability:** 'Improved accountability, performance monitoring and reporting are built into the new arrangements. … OIPC will have a strong performance monitoring and evaluation role relating to the new whole-of-government arrangements.'[22]

- **leadership:**   All stakeholders recognise that 'strong leadership is required to make the new arrangements work, both within government and from the regional networks of representative Indigenous organisations. … Where leadership capacity needs to be strengthened, the Australian Government will provide support'.[23]

COAG Trials

5.25   An important model for the mainstreaming of Indigenous service delivery are the COAG trial sites. These are ten sites across Australia where the Government is trialling working together with state and territory governments and Indigenous

---

20   http://www.oipc.gov.au/About_OIPC/new_arrangements/FivePrinciples.asp, accessed 28 February 2005.

21   ibid.

22   http://www.oipc.gov.au/About_OIPC/new_arrangements/FivePrinciples.asp, accessed 28 February, 2005.

23   ibid.

communities to provide more flexible programs and services based on priorities agreed with those communities.

5.26   These arose out of a November 2000 decision of the Council of Australian Governments (COAG) that 'all governments would work together to improve the social and economic well being of Indigenous people and communities.'[24] This was in recognition that greater coordination of Commonwealth and state/territory governments' commitment to Indigenous issues would result in better outcomes.

5.27   In April 2002, COAG agreed to trials implementing more flexible programs and services based on local community needs. Communities in ten areas were selected as pilot sites:

- Australian Capital Territory
- New South Wales – Murdi Paaki
- Victoria – Greater Shepparton
- Queensland – Cape York
- South Australia – the Anangu Pitjantjara (AP) Lands
- Northern Territory – Wadeye/Thamarrurr
- Western Australia – the Tjurabalan region

5.28   In the same month, COAG also developed a set of key indicators of Indigenous disadvantage against which to measure outcomes, commissioning a regular report against these indicators.

5.29   In November 2003, the Productivity Commission's released its first report against these key indicators; *Overcoming Indigenous Disadvantage – Key indicators 2003.* This report provided a means 'not only to tackle the root causes of Indigenous disadvantage, but also monitor the outcomes in a cross jurisdictional and portfolio boundaries.'[25] Noting that fragmented 'silo' approaches to address Indigenous disadvantage had not worked in the past, Mr Gary Banks, Chairman of the Productivity Commission, stated that:

> … more coordination is needed. The COAG trials are an important attempt to achieve more coordinated action. It is essential that we learn from and build on this national initiative.[26]

5.30   In June 2004, COAG agreed to a National Framework of Principles for Government Service Delivery to Indigenous Australians. These principles recognise

---

24   http://www.icc.gov.au/coag_initiative

25   *Overcoming Indigenous Disadvantage – Key Indicators 2003,* p. i.

26   Mr Banks, speech to the conference *Pursuing Opportunity and Prosperity,* Melbourne Institute of Applied Economics and Social Reform/The Australian, Melbourne, 13 November 2003, p. 12.

the need for services to be flexible during negotiation and consultation with local communities.

Government policy for the new administrative arrangements

5.31   To implement the new policy, the Government has created a number of new structural elements that will collaborate to provide the whole of government approach.

Leadership

5.32   A centrepiece of the new program is an emphasis on high-level leadership and responsibility to drive the process. A Ministerial Task Force has been established which will be responsible for driving the delivery of improved services and outcomes for Indigenous Australians, will coordinate the Government's Indigenous policies and report to cabinet on directions and priorities.

5.33   The Task Force will be supported by a Secretaries Group chaired by the Secretary of the Department of Prime Minister and Cabinet. The group will issue a public report annually. The Task Force will be advised by the National Indigenous Council (NIC), an appointed body of Indigenous experts.

Office of Indigenous Policy Coordination

5.34   The Office of Indigenous Policy Coordination (OIPC) has been established by the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) as the primary advisory body to the Minister on Indigenous issues. Its role is to drive and coordinate the whole of government approach to Indigenous policy development and consequential service delivery. It is also expected to monitor and report on the performance of government programs and services.

5.35   OIPC's work will be supported through the national network of Indigenous Coordination Centres.

Indigenous Coordination Centres

5.36   An integral part of the new whole of government arrangements are the Indigenous Coordination Centres (ICCs), which replace ATSIC offices nationally. Following concerns expressed by the ATSIC Yilli Rreung Regional Council, among others,[27] the number of ICCs was increased from twenty-two to thirty, with the inclusion of a centre for Darwin.

5.37   The ICC managers will have staff from multiple federal and state/territory agencies; their role will be to engage with stakeholders and coordinate dealings between all agencies and their clients on a whole of government basis. However, the ICCs are not intended to be direct service delivery shopfronts. ICCs will coordinate

---

27   ATSIC Yilli Rreung Regional Council, *Submission* 152, p. 8.

the design and delivery of services with local Indigenous communities, utilising lessons learned from this approach during the COAG trials, details of which appear later in this chapter.

Regional Partnership Agreements

5.38   In the process of designing services to meet local needs, Regional Partnership Agreements (RPAs) will be negotiated with local Indigenous communities. These agreements will guide future planning, monitoring the funding going into the region, while also providing a mechanism for resolving conflicting priorities for the region. Evidence presented to the Committee has not clarified how these agreements will be negotiated, nor with whom. A pre-requisite for this process will be the existence of legitimate representative bodies with which the Government can negotiate – a matter which was dealt with in Chapter 4. Perhaps unsurprisingly in the circumstances, the regional agreements have been given a lower priority by the Government.[28]

Shared Responsibility Agreements

5.39   In contrast to the RPAs, Shared Responsibility Agreements (SRAs) will be negotiated with individual communities and family groups. SRAs will guide responsibilities at this level and services to be delivered by agencies from the Australian Government and State/Territory governments, within the community served by the ICC. Dr Shergold considered that 'the shared responsibility agreement expresses the negotiated will of the community.'[29]

5.40   The Government has given priority to establishing between fifty and sixty SRAs by June 2005.

Rationale for mainstreaming

5.41   Departments were optimistic that the new mainstreaming arrangements would improve their capacity to deliver results, through better coordination, more flexible programs, and improved accountability.

5.42   The Attorney-General's Department sees some significant advantages in the transfer of this new responsibility:

> Shifting responsibilities for Indigenous programs to mainstream agencies will remove duplication and reduce expenditure on bureaucracy and structures in the management and implementation of government programs and services. Access for Indigenous Australians to non-Indigenous specific programs will be enhanced with a concomitant greater awareness of other options for Indigenous people.[30]

---

28   Dr Shergold, *Proof Committee Hansard*, Canberra, 8 February 2005, p. 24.

29   ibid, p. 3.

30   DIMIA, Submission 128, p. 24.

5.43   The Department of Employment and Workplace Relations (DEWR) referred back to the COAG Trials:

> The practical potential for utilising mainstream services alongside Indigenous specific services and working in collaboration in a whole-of-government framework to maximise linkages and outcomes, is clearly demonstrated in the development of solution brokerage capabilities within the Department, and DEWR's role in the COAG whole-of-government trials.[31]

5.44   DEWR was optimistic of the opportunities for cooperation that the new arrangements offered:

> DEWR see much advantage in the new formal collaboration mechanisms being put into place, including ICCs, and believes they will have an important role to play in promoting strong and sustainable co-ordination and collaboration arrangements between agencies. They should foster flexible and innovative approaches to meet community needs.[32]

5.45   Similarly, the Department of Communications, Information Technology and the Arts (DCITA) stated that:

> … For the first time, there will be DCITA staff on the ground in regional Australia – building the department's capacity to establish working relationships with communities and to advise on effective responses to specific priorities and emerging needs.[33]

5.46   OIPC took the view that, because ATSIC provided services on a limited scale, to effect a collaborative approach, mainstream departments would be best placed to deliver all services to Indigenous people. Their submission pointed out the difficulties ATSIC faced as a small service provider:

> ATSIC was responsible for less than half of the Australian Government's spending on Indigenous programmes, with other programmes being delivered by mainstream agencies. There was a tendency for ATSIC and other agencies to operate as individual service providers without necessary collaboration to achieve positive change with Indigenous communities. The focus on individual agency programmes also meant that there was a lack of strategic attention to the role of State and Territory Governments which predominantly deliver essential basic services such as health and education.[34]

---

31   ibid, p. 46.

32   ibid, p. 46.

33   ibid, pp. 30-31.

34   ibid, p. 2.

Improved accountability

5.47   Departments also emphasised the importance placed on effective and improved accountability mechanisms, in relation to their delivery of services. The Department of Education, Science and Training (DEST) were typical in this regard:

> DEST is committed to robust performance monitoring to gauge the effect of its programs … [T]he Department has a culture of evaluation, recognising the importance to the Australian public that the policies and programs deliver important social outcomes.[35]

5.48   Departments including the Department of Family and Community Services (FaCS) and DEWR further reported that they are working with the Productivity Commission to better develop measures of effectiveness. FaCS will use the Key Indicators generated for the COAG trial as the basis upon which their programs are assessed.[36]

5.49   The principles of leadership accountability have been enforced by including in the performance agreements of Senior Executive Service staff in relevant Departments, provisions related to Indigenous outcomes. Dr Shergold stated that:

> In terms of the relevant secretaries, who are the secretaries who serve on the secretaries group, part of the performance criteria that now exists by which their performance is assessed includes the extent to which a secretary works in a collegiate fashion to deliver services to Indigenous communities in a coordinated and flexible way. That is built into the range of measures against which performance is assessed.[37]

Flexibility to tailor services

5.50   The Government argues that mainstreamed services will foster more flexibility, and will actually help to ensure that appropriate services are delivered to regions based on their individual needs.

5.51   DEST submitted that:

> DEST is supportive of the concept of flexible funding arrangements to meet emerging needs and priorities and to achieve cross-portfolio objectives.[38]

5.52   However, DEST went on to admit that achieving the true flexibility offered by pooled funding would have its problems:

> There are some challenges associated with improving flexibility and the transportability of funding between agencies and possibly tiers of

---

35   DIMIA, *Submission* 128, p. 40.

36   DIMIA, *Submission* 128, pp. 52 & 64.

37   Dr Shergold, *Proof Committee Hansard*, Canberra, February 8 2005, p. 30.

38   DIMIA, *Submission* 128, p. 31.

government. … The management and accountability complexities arising from the need to be more flexible are being explored and will take time to work through in the context of shared responsibility agreements.[39]

5.53   A number of departments, including DCITA, were able to point to specific initiatives in individual communities and regions which exemplified the development of capacity to tailor responses to individual needs.[40] FaCS was the most expansive in this regard, and elaborated on a number of multi-facetted trials operating in Flinders Island, Cape York, and Shepparton. In each case, arrangements have been tailored to suit local needs and requirements, and inter-jurisdictional liaison and support mechanisms were established.[41]

Issues with mainstreaming

5.54   Notwithstanding the above assertions, the Committee has not been presented with any actual evidence to show that mainstreaming will bring about improvements in service delivery. However, the Committee is mindful of the Government's distinction between the traditional concept of mainstreaming, and what it claims are fundamental differences in the 'new' system. The negative experiences many witnesses had with traditional mainstreaming, combined with the lack of experience with the new system, leaves the Committee with little persuasive evidence in support of the new arrangements.

5.55   However, alarmingly, the Committee received evidence from a number of witnesses going directly to the recent failure of mainstreamed programs to deliver adequate services. A select few examples follow. Chairperson Ella-Duncan, of the Sydney Regional Council, spoke of a mainstream Department which required an exceedingly high rate of rent collection before it would carry out maintenance on housing:

> About six weeks ago the Department of Family and Community Services, which holds National Aboriginal Health Strategy funding, wrote to the community and said that in order to receive this funding [to carry out repairs] they had to achieve 100 per cent rent collection – the industry standard is 80 per cent; that they had to outsource the housing management, although community control and self-determination is one of the key principles that we have all agreed to adhere to; and that unless they met the conditions they would not get funding. They said there would be no staged roll-out and they had six months to achieve it. It was absolutely impossible, and totally outside the agreed framework. It was through the community's approach to me that I was able to highlight the issues to the ICC coordinator, who immediately began negotiations with Family and Community Services … [T]hat is a community in crisis. There is raw

---

39   ibid, pp. 39-40.

40   DIMIA, *Submission* 128, see for example, pp 31, 36, 45, 47 & 62.

41   ibid.

sewage going into people's homes. And this is happening in Sydney, the capital city of New South Wales! There is raw sewage going into homes. The homes are built with asbestos materials and they have not been repaired or repainted since they were built, which would have been about 30 years ago. There are serious problems with pest control. Because La Perouse is right on the beach, some of the homes are sinking into the sand. It really is a critical situation.[42]

5.56   NACCHO highlighted the plight of Indigenous Australians in relation to hearing loss, and the treatment they receive under mainstreamed systems:

A key example is the failure of accountability for the provision of hearing services to Indigenous Australians under the Commonwealth Hearing Services Program. A recent review found that only 100 Indigenous Australians were accessing the $132 million/annum Voucher scheme despite having higher rates of hearing loss than other Australians. Despite this report, concerns raised through Senate Estimates and a recent national Hearing Seminar, no reforms to the Voucher scheme have been announced.[43]

5.57   The Manager of CDEP for the Laramba community in the Northern Territory told that Committee that:

…[T]he way the government has gone about dismantling ATSIS to begin with has left communities not knowing where they are. It has left the management of the communities not knowing where they are. We have had some correspondence from DEWR regarding CDEP and how that is going to be run, but there has been very little communication from any of the other departments taking up the other areas that affect the community – such as sport and rec [and] community management and all these other issues. I think not informing the community is not the correct way to go about business. It is their community.[44]

5.58   The Committee heard corroborating evidence from a Commonwealth agency that indicated implementing the new arrangements was going to be a challenge:

Until 1 July 2004, DCITA was a relatively small Canberra-based policy department without a regional presence. While DCITA managed some important programmes, the primary focus was the provision of advice to ministers ... As a result of the new administrative arrangements, DCITA has now assumed responsibility for programme budgets amounting to approximately $42 million per annum and is integrating approximately 100 new staff into the Department. Most of these staff will be located in regional areas, and, consistent with the whole-of-government approach, will

---

42   Chairperson Ella-Duncan, *Proof Committee Hansard*, Sydney, 2 February 2005, p. 90. Please note that in subsequent correspondence to the Committee, the rent collection requirement was listed as being 90%.

43   NACCHO, *Submission* 179, p. 14.

44   Mr Monaghan, *Proof Committee Hansard*, Alice Springs, 20 July 2004, p. 2.

work in newly-established Indigenous Coordination Centres. This will be a challenge, particularly given the lack of an existing departmental state or regional network and the relatively junior profile of the staff mapped to DCITA.[45]

5.59   It is in the context of these 'on the ground' examples that the Committee now explores a number of issues which need to be addressed if mainstreaming is to improve the situation, let alone overcome the formidable levels of disadvantage outlined earlier in this chapter.

The premature adoption of the COAG trials

5.60   The Government made it clear that the COAG trials have formed the basis for the new policy on service provision:

> Lessons emerging from the COAG trials have shaped the new arrangements. The trials are demonstrating the need for effective implementation of shared responsibility principles; the importance of building capacity and effective governance in communities; the need to strike a balance between driving change and allowing change to happen at its own pace; and that sustainable change takes time.[46]

5.61   The Committee is concerned that the COAG trials are being used as a model for wider service delivery arrangements before there is any clear idea of whether these trial sites have succeeded or not. In point of fact, the COAG trials are yet to be assessed in any authoritative manner; until such time as that occurs, the likelihood of success of the new arrangements is difficult to gauge, and as such, represents a risk in terms of public policy.

5.62   Early signs look positive. The ACTU noted in its submission some of the positive steps taken in establishing the trials to date:

> These new arrangements have enabled a platform for priority setting, negotiation, resource allocation and the embedding of accountabilities into the performance agreements of Departmental Heads.[47]

5.63   Dr Shergold commented that one of the most 'pleasing aspects' of the COAG trials was the level of cooperation and goodwill exhibited in negotiations between state and territory governments.[48] The Convenor of the ATSIC Review Panel gave evidence that the review panel acknowledged that:

---

45   DIMIA *Submission* 128A, p. 28.

46   http://www.oipc.gov.au/About_OIPC/indigenousservicechanges.doc

47   ACTU *Submission* 158, p. 15.

48   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 27.

… things that were happening at COAG and at the coordination level were certainly having success.[49]

5.64   However, a number of witnesses questioned the wisdom of widespread implementation of the model used in the COAG trials, given that claims of early successes from the trials were unsubstantiated. In their submission, the ACTU commented that:

> As the trials are in their early inception, it is difficult to measure their successes or otherwise.[50]

5.65   Professor Altman reported to the Committee that:

> I am not aware of any evaluation that has been done of the seven or eight trial sites by government or indeed independently. I should say that CAEPR [Centre for Aboriginal Economic Policy Research] is certainly involved in a fair bit of research [at Wadeye] … But most of our research has really focussed on … getting some baseline data on where these communities or regions were at the time the COAG trials started.[51]

5.66   This concern was expressed by Reconciliation Australia:

> Politics has determined the timing of the current re-shaping of Indigenous affairs at national level. This being the case, there is great danger in applying as a model for universal change approaches such as the COAG trials, which are still highly experimental and have not yielded any quantifiable outcomes, let alone positive outcomes.[52]

5.67   Other concerns exist, too. There was a view that the extent of dedicated support that the COAG trials were currently receiving to ensure their success was unsustainable. Mr Hannaford elaborated on this:

> We [the ATSIC Review Panel] as a committee could not accept … that in the long term a COAG concept of coordination of services was going to be able to be sustained right across the country in all areas where coordination is needed.[53]

5.68   Although the shared responsibility and cooperation principles underpinning the COAG trials have received broad bi-partisan and cross-jurisdictional support, some Commonwealth/State/Territory cross-jurisdictional issues have emerged as the trials have rolled out, which have caused some delays to signing of agreements and

---

49   Hon. John Hannaford, *Proof Committee Hansard,* Canberra, 18 February 2005, p. 23.

50   ACTU*, Submission* 158, p. 15.

51   Professor Altman, *Proof Committee Hansard*, Canberra, 3 February 2005, pp. 7-8.

52   Reconciliation Australia, *Submission* 225, p. 4.

53   Hon. John Hannaford, *Proof Committee Hansard,* Canberra, 18 February 2005, p. 23.

subsequent programs. However this new collaborative approach has been generally welcomed as a positive step forward by participating communities.[54]

Evaluating results

5.69   Effective evaluation of results is critical, especially where new or modified approaches are being used to tackle entrenched problems. This was a key recommendation of the ATSIC Review, which stated:

> Performance evaluations should be undertaken of all organisations that are expending Australian Government funding for Indigenous purposes.[55]

5.70   In the Committee's view, two issues arise in relation to evaluating results.

5.71   The first is the issue of methodology: collecting the right information to accurately measure progress (or lack of) and to compare results. There is wide agreement that there is a lack of statistics and consistent benchmarking relating to the measurement of Indigenous disadvantage, making comparison studies following the implementation of COAG trials difficult and unreliable.

5.72   As noted above, the first of a government-commissioned report series, *Overcoming Indigenous Disadvantage – Key Indicators 2003,* identified the key outcomes to measure improvement in Indigenous disadvantage, and outlined key areas for action and strategic change indicators. It has provided a benchmark against which future reports can be measured, plus a reporting framework relevant to government and Indigenous stakeholders. This will allow individual agencies at every level of government to determine their capacity to address the areas of Indigenous disadvantage within their control. The second report is due to be released in May 2005.

5.73   However, the ACTU submission expressed concern regarding the Terms of Reference to the Commonwealth Grants Commission (2001) *Indigenous Funding Inquiry.*

> … the area of relativities (outlined in the Government's Terms of Reference to the Commonwealth Grants Commission) to determine [Indigenous] disadvantage and those to determine outcomes are not equivalent. How can the Government measure Indigenous disadvantage by comparing Indigenous region to Indigenous region, and yet measure outcomes by the closing of the 'gap' between Indigenous and mainstream Australia?[56]

5.74   The Committee applauds the inter-jurisdictional evaluation framework that the *Overcoming Indigenous Disadvantage* report provides, and recognises the

---

54   ACTU, *Submission* 158, p. 15.

55   *'In the Hands of the Regions'*, p. 7.

56   ACTU, *Submission* 158, p. 16.

important role that the evaluation of the trials will play in the evaluation of the Government's new arrangements.

5.75   The Committee urges a thorough and impartial assessment of the mainstreaming arrangements as they are implemented, with a full public release of the results.

Recommendation 5.1

5.76   The Committee recommends that the Government immediately establishes a mechanism to thoroughly and impartially assess the new mainstreaming arrangements as they are implemented, including those already in place. The Committee also recommends that the resultant report is made public.

5.77   The second issue in evaluating results is 'who'. As discussed above, both line departments and specialist agencies such as the Office of Evaluation and Audit and the Productivity Commission will assess program delivery. However, both the PC and OEA are tasked by the Government, and the results of their inquiries may or may not be published, and the Committee received a powerful message from Indigenous people pushing for agency programs to be accountable to the communities they serve.

5.78   In their submission the Whitehorse Friends for Reconciliation argued this point when they stated that:

> Governments, mainstream departments and agencies must be publicly accountable for the provision of services to Indigenous people and such accountability should include rigorous monitoring frameworks and the ability of Indigenous people to exercise such accountability.[57]

5.79   A stronger view point was expressed by the recommendation within the submission from the ATSIC Board of Commissioners, which requested:

> The retention of an Indigenous specific agency with powers similar to that of a Senate Estimates Committee to ensure an independent evaluation of the implementation of the new administrative arrangements and that mainstream agencies are accountable for improved outcomes for Indigenous people.[58]

5.80   Commissioner Williams in Brisbane spoke about his frustration with obtaining effective service delivery, and argued for an Indigenous body that could function like a Senate estimates committee.[59]

5.81   The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) is well positioned to play such a role. Professor Dodson stated that:

---

57   Whitehorse Friends for Reconciliation, *Submission* 55, p. 4.

58   ATSIC Board of Commissioners, *Submission* 202, p. 6.

59   Commissioner Williams, *Proof Committee Hansard*, Brisbane, 31 January 2005, p. 4.

…[I]n relation to research, we argue that the Institute has a key role to play in the proposed whole of government coordinated approach to service delivery, particularly in our capacity to provide research and policy advice on the development of governance structures and the design and delivery of services by mainstream agencies, including, we argue, a role for longitudinal and independent evaluation. [60]

5.82   The Committee strongly agrees that Indigenous feedback must form an integral part of the evaluation of services and outcomes reported on, regardless of the evaluation mechanism. This will add to a sense of ownership and control by Indigenous people over their own services, and help to ensure relevant and appropriate services are delivered.

5.83   The argument for independent, objective, ongoing evaluation was also taken up in a submission by the Acting-CEO of the New South Wales Aboriginal Land Corporation. He noted that although there is 'potential for some positive outcomes', there must be a mechanism to ensure there is evaluation of any changes. He comments that:

> … [W]e are all responsible for monitoring the progress of these measures [SRAs] and the changes they will bring, I would suggest a Standing Committee on Indigenous Affairs will be the only objective and credible process by which such scrutiny could be effectively brought to bear once the Howard Government assume control of the Senate in August this year [2005]. [61]

5.84   These thoughts were echoed quite separately in evidence given before the Committee in Sydney by Mr Calma. The Social Justice Commissioner was commenting on the fact that his role was in 'monitoring' rather than a 'programmatic' role and as such the Commission has no influence over government action on their recommendations.

> It relates back to our concerns that reports … appear and the recommendations are not readily picked up. … unless there is a champion body within parliament to be able to push through some of those issues then they are not going to be picked up. [62]

5.85   It was a concern to the Social Justice Commission that, even in the new government arrangements, there was no mechanism to ensure that issues, identified in reports commissioned by the Government, were actually addressed by government departments. Mr Calma suggested a possible remedy to this concern:

> I would particularly like to see this committee become a standing committee to continually monitor what is happening in Indigenous affairs as a bipartisan committee and report back to the Senate and to government.

---

60   Professor Dodson, *Proof Committee Hansard*, Canberra, 3 February 2005, p. 15.

61   Mr Geoff Scott, *Submission* 233, pp. 15-16.

62   Mr Calma, *Proof Committee Hansard*, Sydney, 2 February 2005, p. 15.

> At this stage, unless the [Senate Select] committee's recommendations are picked up by the secretaries group or the ministerial council, there is no guarantee that they will be addressed by government at all. …[63]

5.86   Mr Calma believe d that a Standing Committee would be seen by Indigenous and non-Indigenous people as a mechanism with the required impartiality and ongoing accountability that the new arrangements require, and which would facilitate government action on those issues.

> I see the role of this committee [would be to] look objectively [with] some independence in being able to feed back to government precisely what Indigenous people have to say. So it is about the credibility that the standing committee brings within the parliamentary forum.[64]

The operation of the ICCs

5.87   The Committee's concerns in relation to ICCs cover two main areas. First, the considerable challenges involved in managing the complexities of ICC's internally, and second, the extent of an ICC's authority to operate autonomously at the local level.

Breaking down the silos

5.88   Given the Government's undertakings on the whole of government policy, it might seem self-evident that government agencies will need to work together effectively to achieve outcomes. Dr Shergold clearly stated the Government's intentions in this regard.[65]

5.89   However, such effective cooperation requires time to develop and should not be assumed. Traditionally, government agencies have not worked well together in the delivery of services, yet in the ICCs, staff from multiple Commonwealth agencies with different pay and conditions and responsible for different programs and under different criteria, will have to work together. It is possible that they will be joined by staff from state or territory agencies, or even non-government organisations.[66]

5.90   Ideally, this policy will see the emergence of innovative and flexible centres around the country, operating like a business 'enterprise hub', and limited only by the imagination of their managers.[67]

5.91   In practice, this may be somewhat difficult to achieve.

---

63   ibid, pp. 11-12.

64   ibid, pp. 17-18.

65   See for example, Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 2.

66   Mr Trevena, *Proof Committee Hansard*, Broome, 22 July 2004, p. 16.

67   ibid.

5.92   It is clear that succeeding will require great effort on the part of agencies, not to mention the will of the relevant Ministers at both State/Territory, and Commonwealth level. Dr Will Sanders elaborated on the issue of staff from different departments working together, and the coordination which was necessary to make that work. He spoke of his impressions of an ICC he had recently visited:

> [I]t actually felt quite different in the sense that it was quite clear that there were a number of organisations operating in that space. They were just coming to grips with some issues about who needed to be there and whether they could all be there. For some of the organisations … Indigenous issues … are among their largest issues, but they also have non-Indigenous issues to deal with. So there was a question about … who would work in that office space …[68]

Delegations

5.93   The second area of concern with respect to the ICCs is the level and nature of delegations which are held by the staff who run them. If the ICCs are to be outcome-focussed and effective in coordinating the delivery of services to their clients in a timely manner, staff in the relevant offices must have the authority to make appropriate decisions without having to consult multiple senior managers in departmental headquarters in Canberra or elsewhere. The most obvious example of the need for a degree of autonomy by ICC staff is in relation to the negotiation of SRAs and RPAs.

5.94   In this respect, the Committee is not encouraged by the responses of the OIPC to Questions on Notice. When asked to detail the financial and other delegations each manager in the ICCs would hold, the Committee was informed that managers would 'have all delegations necessary to manage their office [for example] to approve leave for their staff, and to approve expenditure on items required to run the ICC'.[69]

5.95   At the public hearing in Moree, the Committee heard evidence supporting this concern from the Kamillaroi Regional Council, who reported:

> What we have found, though, since the funding has left ATSIC and gone to DEWR is that our field officers have not been able to come out and visit. We have found in the Kamilaroi region that what used to be the ATSI office in Tamworth - it is now the ICC - has lost its delegate and does not have the ability to make decisions with respect to variations in funding that have been applied for. Now we are talking to someone in Orange or Sydney - the state delegate. We are not confident that that person is aware of what the needs of the people here in Moree are.[70]

---

68   Dr Sanders, *Proof Committee Hansard*, Canberra, 3 February 2005, p. 9.

69   Response to Question on Notice 4(c), received 22 February 2005.

70   Mr Hannan, *Proof Committee Hansard*, Moree, 1 February 2005, pp. 72-73.

5.96   This response goes only to the internal administration of the ICC, and does not provide any information on delegations pertaining to the actual role and purpose of the ICC; that is, to provide a 'one-stop-shop', whole of government response to clients. As a result, it remains unclear to the Committee exactly what decisions will and can be made by ICC staff on the ground, in relation to matters as critical as the formation of an SRA or an RPA. The Committee considers the issue of appropriate program-related delegations to be pivotal to the success of this model of service coordination.

Recommendation 5.2

5.97   The Committee recommends that ICC Managers have the delegated authority necessary to make direct funding decisions, within their agreed budget, on local Indigenous programs.

Implementation of SRAs

5.98   There are similar question marks over aspects of the implementation of the Shared Responsibility Agreements (SRA) process. Four issues are particularly significant:

- The focus on SRAs ahead of regional agreements.

- The operation of the SRA approach.

- Power relationships in the SRA partnership.

- Consideration of community capacity in negotiating SRAs.

SRAs in a regional structure

5.99   Firstly, according to the OIPC,[71] SRAs will be negotiated between family or community groups, and will set out the respective responsibilities of the family/group and the Government, and outline the community's undertakings in exchange for 'discretionary benefits' to the community.

5.100   In contrast, Regional Partnership Agreements will be negotiated between regional representative groups and government to provide a mechanism to map both the nature and extent of funding going into the region. RPAs will outline the strategies for stakeholder engagement, guiding priorities for the region to be addressed by the SRAs. As noted though, the Government's priority is the negotiation of between fifty and sixty SRAs by June 2005.[72] The regional agreements will necessarily take the backseat.

---

71   See *New arrangements in Indigenous Affairs,* Australian Government, November 2004, p. 18.

72   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 24.

5.101   The difficulties in establishing representative groups in regions across Australia, and ensuring they have a true mandate from the people they claim to represent, were discussed in the previous chapter.

5.102   The Committee's more immediate concern though, is that the process is running in the wrong order. In prior reports such as the ATSIC Review, it was concluded that to gain maximum effectiveness from government spending, individual programs need to be set within a structure of integrated regional planning. Thus, the RPAs should be established first to enable prioritising of regional needs and advise the Ministerial Taskforce on regional funding requirements. Only then should the SRAs be negotiated with communities and families.

5.103   The Committee believes that to focus on the SRAs before the RPAs may see a return to ad-hoc funding, with all the inefficiencies and duplications that this has lead to in the past. It also has the markings of grant-based funding, which these administrative arrangements are claiming to remove.

5.104   There is the further concern that a program of rolling SRA-based projects must not result in a loss of focus on the need for longer term funding arrangements.

5.105   In Cairns, the Committee heard from Dr Paul Ryan, who argued that funding timelines, such as three year funding agreements, are often unsuitable for achieving outcomes in Indigenous communities. Worse still was funding on an annual basis that did not allow for processes such as capacity building within communities. His experience is worth quoting at length.

> One program that we have at the moment from FaCS runs for nearly three years and it is sufficiently funded, we hope, to allow us to do some sustainable work within the communities. But that is rare. That is probably the experience of a lot of organisations other than ours – that you get funded for 12-month or two-year programs. Sometimes it takes you two years to get things going. Then all of a sudden the money stops and you say to the people, 'See you later.' – We work on a different timescale than Canberra, Brisbane or even Cairns. We work in a different cultural context, so we have to allow people to build their own capacity, to own things and to understand things within that culture. One-year programs virtually never allow you to do that. A two-year program gets you a little bit further. With a three-year program, you are still not really there.[73]

5.106   The fact that there are no RPAs in place, coupled with the haste with which the first fifty to sixty SRAs will be developed, also raises the question of whether this just a case of the Government wanting to demonstrate some 'quick wins' to 'prove' and justify their new approach.

---

73   Dr Ryan, *Committee Hansard*, Cairns, 27 August 2004, pp. 29-30. See also Northern Land Council, *Submission* 193, p. 7.

5.107   The Committee suggests that, at the least, attention needs to be given to developing RPAs in parallel to – if not ahead of – the negotiation of individual SRAs.

The operation of the SRA approach

5.108   A third issue arose in relation how elements of 'shared responsibility' will be applied in practice.

5.109   As described above, SRAs will reflect a type of contract between members of a community to carry out certain agreed actions in return for an additional government benefit. Thus, 'shared responsibility' is the community level version of the policy of 'mutual obligation' that is now applied to many aspects of government support. Thus for example, under 'Newstart', the Government was obliged to pay benefits to a person who was mutually obliged to look for work.[74] Dr Shergold agreed that the two concepts are closely related, and explained that shared responsibility:

> embraces the notion of mutual obligation, [but] shared responsibility in Indigenous affairs means it is an agreement negotiated between government and community for the purpose of provision of discretionary benefits.[75]

5.110   SRAs therefore represent a 'carrot and stick' approach to improve outcomes in areas of Indigenous disadvantage. Dr Shergold reluctantly agreed with the analogy, explaining that:

> The carrot would be the discretionary benefit. The stick would be a requirement to meet those obligations, with further benefit flowing on that basis.[76]

5.111   Dr Shergold further explained that 'further benefits' would result if the mutual obligation was fulfilled by the community.

5.112   This policy has obvious advantages, but the devil is always in the detail, and in this respect, the Committee has failed to find any evidence of how mutual obligations are to be measured to determine that they have been fulfilled.

5.113   What happens, for example, if either party fail to meet their obligation? Who would determine whether a failure has occurred and what penalty, if any, will apply? Indeed, who should be held responsible for an SRA with a community for the failure – the entire community, which will include penalising those who did meet the obligation, or just the person who signed the SRA? What if the Government and its agencies fail to meet their obligations – how does a remote Indigenous community penalise the Government?

---

74   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 14.

75   ibid.

76   ibid, p. 15.

5.114   The Committee is concerned that these scenarios are readily foreseeable, and could lead to significant inequities, yet it is apparent that the Government has yet to turn its mind to even beginning to resolve them.

Balance of power and basic rights

5.115   This raises the third concern, relating to the extent of the power inequality between the negotiating parties. Professor Altman explained that:

> if one party holds the purse strings and the other party has to sign off to get what would be regarded … as a fairly basic facility, … then I can see the Commonwealth signing off on a fairly small cheque on their responsibilities.[77]

5.116   Dr Shergold agreed that maintaining a partnership arrangement between government and Indigenous people will not be easy, stating that 'it is one of the great challenges.' He continued with the rather remarkable statement that 'in any relationship there is an unequal power relationship.'[78]

5.117   Where this unequal power balance becomes critical is in remote communities, whose level of disadvantage is such that they have little real choice but to agree. The Committee is concerned that in some cases, what government regards as 'discretionary benefits' are basic infrastructure items that are lacking in many remote communities. These remote communities hence may be more inclined than an *urban* Indigenous community, to negotiate their rights for basic needs.

5.118   Government officials strongly denied that this could occur,[79] distinguishing between the entitlements that members of an Aboriginal community receive by law, and discretionary, additional benefits that the Government can attach conditions to. For example, when asked by the Committee whether discretionary benefits would ever involve payment of benefits, Dr Shergold went on to say that shared agreements are in terms of the additional benefits. The SRA:

> … is not a requirement in order to access the benefits that are available to all Australians. … Each community decides what discretionary benefit they want …[80]

5.119   Dr Shergold further explained the distinction the Government makes between discretionary benefits and entitlements, referring to the routine repairs on Aboriginal housing:

> It depends how that housing repair is done. If there is an existing program to do it, then it probably is not appropriate [as a discretionary benefit]. But

---

77   Professor Altman, *Proof Committee Hansard,* Canberra, 3 February 2005, p. 10.

78   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 14.

79   ibid, pp. 3 & 18.

80   ibid, p. 3.

> if a community says, 'We want to have a program provided for us … to train our people to be able to do house repairs; we would require additional money to do this and if you provide it for us we will be able to fix the doors and windows,' that would be entirely appropriate for a shared responsibility agreement.[81]

5.120   This distinction between entitlements and additional discretionary benefits works well enough in relation to individuals whose rights are clearly defined. However, it tends to become a little murky when related to a community level. How are the 'entitlements' of a community distinguished from 'discretionary benefits'? To what extent is core infrastructure like health centres, schools, or medical equipment, such as dialysis machines, entitlements or benefits?

5.121   The issue was raised by ANTaR, who suggested that SRAs:

> introduce coercive and inappropriate elements to the provision of services by:
>
> -   placing indigenous communities in a position where they must bargain for certain rights to which they are entitled as of right both as citizens and as Indigenous peoples, and;
>
> -   pitting under-resourced and effectively powerless local communities against the Federal Government via mainstream agencies.[82]

5.122   In commenting on the Mulan agreement,[83] ANTaR said that a number of their concerns had been realised:

> A major criticism of the [Mulan] agreement is that it breaches human rights obligations in making government responsibilities for the provision of health measures conditional. Criticism also points to the inappropriateness of linking petrol bowsers with child health. A further discriminatory impact is that the agreement focuses attention on Indigenous behaviour as 'the problem' … and deflects scrutiny from government neglect and policy failure.[84]

5.123   The Committee is not entirely convinced that clear distinction has been made between what is a fundamental right and a discretionary benefit. It remains a nebulous issue, subject very much to individual government officer/agency judgements, and with the subsequent potential for variance in interpretations.

---

81   Dr Shergold, *Proof Committee Hansard,* Canberra, 8 February 2005, p. 15.

82   Australians for Native Title and Reconciliation, *Submission* 181a, p 7.

83   This was an agreement reached with the community, whereby the community 'agreed' to ensure children washed their faces twice a day, in order to reduce the prevalence of trachoma in the community. In return, the government would install for the community two petrol bowsers.

84   Australians for Native Title and Reconciliation, *Submission* 181a, pp 7-8.

5.124   The Committee believes this issue will need to be monitored closely as part of ongoing evaluation of SRAs.

Consideration of community capacity in negotiating SRAs

5.125   The final matter stems from the difficulties of negotiating SRAs with individual groups in an equitable way.

5.126   The Committee has seen first hand the differences in the capacity of various communities to organise themselves and effectively negotiate with departments and organisations. There is a clear danger in the proposed arrangements that communities who are the best organised and most vocal will tend to be the most successful in gaining the attention and resources of the local ICC's. Conversely, communities with less capacity, and who are by definition often those suffering the greatest levels of disadvantage, may be overlooked.

Indigenous employment and corporate knowledge

5.127   The Committee is greatly concerned at reports of the number of Indigenous staff choosing not to make the transition to mainstream agencies and ceasing employment in the Indigenous affairs sector. Such a prospect augers very poorly for the retention of corporate knowledge and cultural awareness, both of which are critical to the successful delivery of services to Indigenous Australians. The Committee heard a range of evidence in relation to this issue, and noted that the empirical data appears to confirm a downward trend in Indigenous employment in the APS.

5.128   In Cairns, the Committee heard evidence from the Principle Legal Officer with the North Queensland Land Council regarding the loss of staff since 1 July 2004; Mr Dore expressed the concerns of many about the whole way the change was implemented, noting that: 'a lot of the previous ATSIC staff either have taken redundancies and are looking for work elsewhere or are being shifted to Canberra.'

> … in relation to mainstreaming the programs, … you will quickly lose a pool of expertise and people who understand the difficulties faced by our Indigenous colleagues, and they will slowly but surely be replaced by well-meaning bureaucrats who have no understanding of the unique difficulties facing our clients.[85]

5.129   At the Darwin hearing, Mr Hunter from the Yilli Rreung Regional Council commented on how the poor implementation of the 1 July 2004 change has had a detrimental flow-on effect, which was felt throughout the ATSIS workforce.

> The reality is that there are very committed people in ATSIC, and the sad thing is that the morale has taken a bit of a battering and that commitment to ensuring that they deliver services is no longer there.[86]

---

85   Mr Dore, *Committee Hansard,* Cairns, 27 August 2004, pp. 21-23.

86   Mr Hunter, *Committee Hansard,* Darwin, 24 August 2004, p. 60.

5.130   Other members of the Yilli Rreung Regional Council compared how staff were operating before and after the change on 1 July 2004:

> … with the divvying up of staff of the previous ATSIS/ATSIC office, where staff have now gone to some seven program areas, we have staff currently sitting around twiddling their thumbs. Their linkages to their departments appear very flimsy. … it is causing a lot of stress.
>
> …[before the change] they were pretty flat out doing lots of things and that has now dried up. They probably have a very minor role.[87]

5.131   In addition to it being 'unworkable and cumbersome', the ATSIC NSW Eastern Zone Commissioner and Chairpersons observed that the 'one stop shop' model would encourage split loyalties within single (ICC) offices, and would encourage the loss of Indigenous staff and corporate knowledge.[88]

5.132   In Canberra, Professor Dodson considered that:

> …[T]here are certain things happening as a result of these new arrangements that I think are potentially disastrous – for example, the massive loss of Indigenous corporate knowledge from the Australian Public Service. The reasons escape me why any organisation would not want to keep that knowledge.[89]

5.133   The Committee examined the number of Indigenous employees within the APS in some detail and notes the concerns expressed by the Public Service Commissioner in the latest *State of the Service* report:

> The decrease in Indigenous employment in both absolute and proportional terms in 2003-04 is of concern. Falls in recruitment of trainees in 2003-04 have added to the ongoing problems of declining low-level job opportunities and higher than average separation rates. A declining trend in Indigenous employment is now emerging since the peak in 1998-99 and the need for targeted recruitment and retention strategies is clear, particularly given the transfer of many Indigenous employees from ATSIS to mainstream agencies at the beginning of 2004-05.[90]

5.134   However, Dr Shergold took a different view of the facts, arguing that over the past decade, the proportion of Indigenous public servants has been relatively stable, but that the overall decline percentage reflects the changing nature of the public service and the decline in the number of APS Level 1-2s: 'Therefore, we have seen a very significant decrease in the number of Indigenous people at APS1 and APS2.'[91]

---

87   Mr Hunter, *Committee Hansard,* Darwin, 24 August 2004, p. 59.

88   ATSIC NSW Eastern Zone, *Submission* 142, pp.12-13.

89   Professor Dodson, *Proof Committee Hansard*, Canberra, 3 February 2005, p. 36.

90   Australian Public Service Commission, *State of the Service Report 2003-2004*, Chapter 8.

91   Dr Shergold, *Proof Committee Hansard*, Canberra, 8 February 2005, p. 13.

5.135   Notwithstanding Dr Shergold's argument, a decrease has occurred in both number and proportion. Such observations are deeply concerning to the Committee, as the ramifications for quality of service delivery are profound. The Committee notes and applauds the initiatives being undertaken by the Public Service Commission in relation to arresting this trend,[92] and strongly believes that ongoing scrutiny of these figures is important in the long term.

5.136   Commenting on another aspect of the decline in Indigenous employment within the APS, ANTaR drew attention to the rate at which Indigenous people are leaving the APS:

> Disturbingly, the percentage of people leaving the APS who are Indigenous is … at 4.9% indicating a worsening trend. Worse still, the report covers the period up to June 30 2004 and so does not take into the account changes as a result of the transfer of staff from ATSIC and ATSIS to mainstream government departments.[93]

5.137   In a separate observation, Mr Hunter also criticised the manner in which some Indigenous staff were being treated in their new departments.

> People have been asked to question their values. They have a history of considering Indigenous views and issues involved in the delivery of service. They have been told that they need to rethink their values and that they need to fit into [the department's] tracks … [O]r leave. …

> ATSIS-ATSIC was a major employer of Indigenous people across the country. That corporate value, that corporate knowledge and all that have certainly been filtered onto a lot of other agencies and it is of concern. I guess it is all about the capacity of the agency to retain those Indigenous people. … it could have been done a hell of a lot better than it has been.[94]

5.138   Commissioner Hill had this to say:

> I understand that some people have gone to a particular department and lost up to $15,000 in entitlements. I am concerned about the staff. Those people not only supported me, gave me a lot of information, did my papers and so forth but they are ordinary people who want to make a difference in Aboriginal affairs. From talking to a lot of them here in the Northern Territory, I know that they are disheartened by what has happened.[95]

---

92   For details, please consult the Public Service Commission website - http://www.apsc.gov.au/stateoftheservice/0304/index.html

93   ANTaR, *Submission* 181a, p. 5.

94   Mr Hunter, *Committee Hansard,* Darwin, 24 August 2004, pp. 59-60.

95   Commissioner Hill, *Committee Hansard,* Darwin, 24 August 2004, p. 11.

Will 'new' mainstreaming fix the problems of the 'old'?

5.139   Earlier in this chapter, the problems of the old mainstreaming were examined. The Committee raises two further factors that will need to be watched closely if the new policy is to be ultimately successful.

5.140   Firstly, and to repeat a fact raised in earlier chapters, policy planners should not lose sight of the fact that for many indigenous communities, the threshold issue is one of adequacy of funding. In many key areas, such as health, education and housing, individuals are not accessing – or able to access – services at the same rates as their urban non-Indigenous counterparts. So shuffling around program arrangements and policies are unlikely to solve problems if they do not succeed in increasing the *per capita* resources on the ground.

5.141   Several submissions referred to the Commonwealth Grants Commission Report which pointed to the greater need and lesser access to services by Indigenous Australians.[96]

> Mainstream services are intended to support access by all Australians to a wide range of services. Given the entrenched levels of disadvantage experienced by Indigenous people in all functional areas addressed by our Inquiry, it should be expected that their use of mainstream services would be at levels greater than those of non-Indigenous Australians. This is not the case. Indigenous Australians in all regions access mainstream services at very much lower rates than non-Indigenous people.[97]

5.142   The ATSIC Board elaborated on this, saying:

> The mainstream [comprising the dominant ideas and practices of a society which are accepted the norm, even though [they] may discriminate against a section of that society] has generally failed Indigenous people. Decision-making institutions and systems – government agencies at all levels – have not been sufficiently sensitive to Indigenous needs, concerns and experiences … Indigenous needs, concerns and experiences differ from the mainstream.[98]

5.143   The Central Land Council (CLC) echoed this sentiment when discussing their concerns regarding mainstreaming in relation to the outstation movement, which represents the aspirations of Aboriginal people to live on their land:

> A key example of the failure of mainstream service providers to meet the needs of remote Aboriginal people is the lack of funding available to outstations (otherwise termed homelands). Many Aboriginal people attempt

---

96   Commonwealth Grants Commission, *Report on Indigenous Funding* (2001). See, for example, Central Land Council, *Submission* 194; ATSIC Board of Commissioners, *Submission* 202.

97   Commonwealth Grants Commission, *Report on Indigenous Funding*, 2001, Vol. 1, p. 59.

98   ATSIC Board of Commissioners, *Submission* 202, p. 21.

to live on outstations that have little infrastructure and no essential services.[99]

Flexibility in the mainstream?

5.144   The second question mark relates to whether, notwithstanding the Government rhetoric, mainstream agencies are actually capable of the degree of flexibility required to meet the regional and cultural diversity necessary to deliver individualised Indigenous programs.

5.145   The Government has recognised the limitations of the 'one size fits all' approach, and Minister Vanstone has stated that:

> In a nutshell, we will produce better results by stripping away the layers of bureaucracy, by listening to local communities, responding to their requirements and sharing responsibility for outcomes with them.[100]

5.146   These are accurate and laudable policies. However, many witnesses were sceptical about the likelihood that mainstreamed services would be genuinely and effectively flexible. Reconciliation Australia argued that:

> Just as it is dangerous to make assumptions about lack of capacity within Indigenous communities, it is potentially even more dangerous to assume capacity within government agencies to deliver this level of change. It appears that government policy is well ahead of government agencies' capacity to manage implementation or deal with its consequences.[101]

5.147   Mr Fry, of the Northern Land Council pointed out that:

> Mainstream departments and agencies are inexperienced in dealing with Aboriginal people and have only limited understanding of aspects of Aboriginal history and culture. Their staff are unfamiliar with the dynamics of Aboriginal communities and rarely have much local knowledge. … The plethora of Aboriginal agencies and organisations … have all come about because of the failure of mainstream services for the very reasons highlighted and brought out by the Commonwealth Grants Commission's own report. It is a historical, systemic problem in mainstream governance models in Australia.[102]

5.148   Reconciliation Australia went on to suggest that:

---

99   Central Land Council, *Submission* 194, p. 14.

100   Senator Amanda Vanstone, *Deeds more important than words*, 9 July 2004, accessed at http://www.atsia.gov.au/media/index.htm on 16 February 2005.

101   Reconciliation Australia, *Submission* 225, p. 5.

102   Mr Fry, *Committee Hansard*, Darwin, 24 August 2004, p. 71. See also Northern Land Council *Submission* 193, p. 9; Victorian Aboriginal Legal Service, *Submission* 185, p. 9; ATSIC NSW Eastern Zone, *Submission* 142, p. 12.

- The natural tendency of mainstream agencies is to cater for the mainstream [and that] without strong and consistent political and administrative leadership, agencies generally fail indigenous communities;

- Mainstream service delivery which is not delivered in culturally appropriate ways in unlikely to succeed; and

- Indigenous organisations which are culturally appropriate and have authority in the community are essential to obtaining engagement of those communities.[103]

5.149   Even acknowledging the best intentions of government agencies, the reality is the problem is exacerbated by the fact that many Indigenous people are not comfortable interacting with bureaucracy and will avoid accessing services because of this. Centralising services away from Indigenous people would further isolate them from those services. The Principal Lawyer with Katherine Regional Aboriginal Legal Aid Service stated:

> There is evidence which suggests that Aboriginal people do not access mainstream services as easily or as readily as they might access dedicated [Indigenous] services.[104]

5.150   Professor Altman drew the Committee's attention to the very basic issue of whether Aboriginal people felt comfortable liaising with an ICC comprised of bureaucrats from a number of government departments:

> Under the new mainstreaming and the new whole of government approach, for many Indigenous community organisations even working through an ICC and a number of officers at an ICC is probably more difficult than was working through an ATSIC regional office. [Previous funding] was coming from a common cultural base … now those organisations are going to have to deal with three different departments.[105]

5.151   It is also that there can be intra-cultural sensitivities. Giving evidence in Cairns, Mr Pilot elaborated on examples of Torres Strait Islander people, living both in the Torres Strait and elsewhere:

> We speak with all the members of our organisation across Australia and with Torres Strait Islander people across Australia as well. They are all struggling in terms of providing services to their communities. It all comes back to providing culturally appropriate services to Torres Strait Islanders. Aboriginal people cannot deliver services to Torres Strait Islanders … [W]e certainly have distinct cultures and we want to try and maintain that.[106]

---

103   ibid.

104   Mr O'Brien, *Committee Hansard*, Darwin, 24 August 2004, p. 45.

105   Professor Altman, *Proof Committee Hansard,* Canberra, 3 February 2005, p. 8.

106   Mr Pilot, *Committee Hansard*, Cairns, 27 August 2004, p. 10.

5.152   Mr Monaghan gave evidence that mainstream departments, such as Health, failed to grasp the barriers, which living in a remote community created, to undertake what urban communities took for granted. He explained that:

> [Health] are saying to us that we need to transport people to town for hospitalisation or treatment. The community does not have the money to do that. We do not have the resources to do that. We do not have the money to maintain the vehicles to do that.[107]

5.153   At the Darwin hearing, Commissioner Hill was able to provide an example of the disconnectedness and lack of efficiency which is part of the mainstreaming process:

> My biggest concern at the moment … is the lack of understanding, especially from Canberra. We have got a couple of officers, I understand, who have been transferred to AG's, and one officer at Nhulunbuy has been transferred to Heritage and the Environment. Canberra did not know that there was an airstrip at Nhulunbuy – to my surprise. Then again I am not surprised at all.[108]

5.154   These sentiments were perhaps best expressed by Hon. John Hannaford:

> The concept of centralisation of control, centralisation of direction – whilst it may be bureaucratically efficient and effective and provide appropriate levels of publicly accountable governance – does not necessarily meet the aspirations of the people that we are meant to serve, certainly is not going to provide the levels of respect … and is not going to result in long-term effective change. …

> We [the ATSIC Review Panel] felt that by sustaining the approach of a centrally directed delivery of services, no matter how well-meaning it may be in the initial phase, it is only as good as the will of the minister, the will of the government or, more importantly, the will of the bureaucrats at the time who are administering discretionary programs.[109]

The focus on remote areas

5.155   The obverse observation on the inequity with respect to service provision is the concentration on remote areas at the expense of urban and rural localities. The Committee in no way denigrates the specialised needs that remote living creates. However, given that the majority of Indigenous people now live in urban Australia, it is uncertain whether the new arrangements will adequately cater for the very different needs of urban Indigenous communities.

---

107   Mr Monaghan, *Committee Hansard*, Alice Springs, 20 July 2004, p. 5. On the practical difficulties faced by ICC managers, see also Commissioner Hill, *Committee Hansard,* Darwin*,* 24 August 2004, p. 11; Mr Yeatman, *Committee Hansard*, Cairns, 27 August 2004, p. 49.

108   Commissioner Hill, *Committee Hansard*, Darwin, 24 August 2005, p. 11.

109   Hon John Hannaford, *Proof Committee Hansard*, Canberra, 18 February 2005, p. 23.

5.156   The Sydney Regional Council noted that:

> the majority of Aboriginal people live in metropolitan settings, making up 2/3s of the population base. And from a Sydney Region perspective, 10% of the total Indigenous population of Australia live within the [Sydney] Regional Council boundary.[110]

5.157   Professor Behrendt expressed a similar view:

> It has certainly been the case with funding arrangements now that there is a focus on remote and rural areas. Nobody would argue against the need in those communities, but it is being done at the expense of some very important organisations within the urban areas ... [T]hat is a huge concern for us, particularly here in Sydney in our Redfern and Mount Druitt communities. We see enormous socioeconomic problems within our communities, enormous issues that are of concern in every other community across the country in terms of service delivery, the health and wellbeing of our children, substance abuse, cyclical poverty, sexual abuse.[111]

5.158   A different view was put by Mr Howsen, who cited the Productivity Commission's 2004 report, which found that as remoteness increased, so did the degree of disadvantage, demonstrating that the funding differential is justified with reference to relative need.[112]

Conclusion and recommendation

5.159   The Government's move to shift all delivery of services for Indigenous Australians to the mainstream departments is a momentous one. It comes at a time of great change in the broader political situation for Indigenous Australians, but has greater potential to affect the everyday lives of a greater number of people than any other single Indigenous-related policy. If the Government promptly and effectively addresses the critical issues discussed in this chapter, the Committee believes that mainstreaming has the potential to improve the delivery of services to Indigenous people.

5.160   Realising this potential depends on whether the policy of 'new' mainstreaming lives up to its rhetoric and really amounts to a major change in the way things are done. 'Old' mainstreaming has already been shown to fail and the Government's own review of ATSIC in 2003 explicitly rejected mainstreaming as an option.[113] 'New' mainstreaming has great potential to be different, with its focus on bringing the expertise and resources of line agencies to bear on the problem through flexible,

---

110   Sydney Regional Council, *Submission* 204, p. 3.

111   Professor Behrendt, *Proof Committee Hansard*, Sydney, 2 February 2005, p. 27.

112   Hon. Mr Howsen, *Submission* 235, p. 1.

113   *'In the Hands of the Regions',* p. 80.

coordinated and differentiated programs that respond to the needs of individual communities.

5.161   These possibilities were recognised by some respondents to the inquiry. In his submission, Commissioner Hill said that:

> There are aspects of the changes that are welcomed, such as the whole of government approach to service delivery and emphasis on partnership approaches with Indigenous communities.[114]

5.162   The changes also offer a promising method to link government and communities in partnership – a task that Mr Yates from ATSIS, sees as a fundamental principle.[115]

5.163   But the problems of the 'old' mainstreaming still lurk, and as the discussion above demonstrates, the success of line agencies overcoming these problems and transitioning to this new and quite different way of doing things is far from a foregone conclusion. There are a great many details still to be sorted out before any real judgements can be made on the policy, including, the functioning of the new ICC's, how the Shared Responsibility Agreements will work in practice, and the ways of evaluating the results. In addition, there is much work yet to be done to achieve effective cooperation and collaboration between Commonwealth, state/territory and local government to prevent duplication, build partnerships and ensure the continual improvement results.

5.164   From the Committee's perspective, the inquiry has raised as many questions as it has answered. For this reason, the Committee is a little wary of the Government's somewhat triumphalist rhetoric, which papers over a wealth of unresolved detail. The Committee considers there is potential in the new arrangements, but there remains the need to independently monitor how the policy is put into practice.

5.165   It has already been noted in discussion earlier in this chapter that the "new" mainstreaming arrangements for programs for Indigenous people will present a serious challenge for the Parliament in monitoring and evaluation of the Government's performance. Transparency is potentially reduced and, with it, public accountability. For this reason alone, new arrangements to enable public scrutiny to be effective need to be considered. There is no Senate Committee charged specifically with examining policy and administration in Indigenous Affairs.

5.166   Further, the existing Parliamentary Joint Committee on Native Title has a sunset clause imposed by the *Native Title Act 1993*; Section 207 provides that Part 12 of the Act ceases to be in force after 23 March 2003, effectively ceasing the operation of the Native Title Joint Committee. This Committee, in any case is charged with

---

114   ATSIC NT North Zone Commissioner Hill, *Submission* 100, p. 10. See also Mr Des Rogers, *Submission* 57, p. 1.

115   Mr Yates, *Committee Hansard*, Canberra, 29 June 2004, p. 2.

dealing with only one aspect of Indigenous Affairs policy - native title. While there exists in the House of Representatives the Committee on Aboriginal and Torres Strait Islander Affairs, this Committee, like all those established in the House, can only take up issues with the approval of the relevant minister. For these reasons, the Committee considers that a new, specialist Senate Standing Committee, with powers of a references committee, should be established.

Recommendation 5.3

5.167 The Committee recommends the establishment of a Senate Standing Committee on Indigenous Affairs, tasked with examination of:

- **the implementation of the mainstreaming policy;**

- **the coordination of Commonwealth, state and territory agencies;**

- **the formation of representative arrangements; and**

- **the equity of Shared Responsibility Agreements.**

Senator Claire Moore

Chair