

CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH  
Hanna Neumann Building 021  
ACT Australia 0200  
Director: Professor Jon Altman

T: +61 2 6125 0587  
F: +61 2 6125 9730  
E: Jon.Altman@anu.edu.au

Senator Trish Crossin  
Chair  
Senate Select Committee on the  
Administration of Indigenous Affairs  
Parliament House  
Canberra ACT 2600



Dear Senator Crossin

I recently published an article 'Practical Reconciliation and the New Mainstreaming: Will it make a difference to Indigenous Australians?' in a special issue of *Dialogue* (the newsletter of the Academy of the Social Sciences in Australia) titled The Abolition of ATSIC: Silencing Indigenous Voices?. I attach a copy of this newsletter (volume 23 2/2004) as an exhibit to your Committee. It is available electronically at:  
<http://www.assa.edu.au/publications/Dialogue/dial22004.pdf>.

I provide a brief précis of this article as a submission to your Committee's deliberations. I should emphasise that although I am the Director of the Centre for Aboriginal Economic Policy Research (CAEPR), the views presented are mine alone.

1. The modern policy era in Indigenous affairs can be dated to 1972 when the assimilation era ended and self determination became the central term in policy. From around this time Indigenous-specific programs funded directly by the Commonwealth began in earnest.
2. The period since 1972 can be divided in two: 1972–1996 when there was a high degree of bipartisanship in Indigenous affairs policy and then 1996–2004 when there has been a divergence in policy approaches most recently under the rubric 'practical reconciliation'.
3. ATSIC was established in 1990 despite a degree of objection from the Opposition in 1989. The ATSIC statute introduced an unusual and highly innovative institutional arrangement to Indigenous affairs that combined regional representation, a national Indigenous representative organization, and an agency to administer many Indigenous specific programs. I want to focus here on the last of these features.
4. Information on Indigenous-specific programs indicates that by 2003–04, the Indigenous affairs portfolio (including ATSIC) was responsible for over \$1 billion expenditure per annum about half of Indigenous specific expenditures by the Commonwealth (Table 3 in attached paper).
5. There is an anecdotal view in contemporary popular and policy discourse that the socio-economic status of Indigenous Australians is not improving. Analysis of census data for the four observation points 1971, 1981, 1991 and 2001 does not support this view. In both absolute and relative terms most social indicators are improving, but slowly.

6. Associated with this popular view, fuelled by the media and the Australian government, is the notion that somehow ATSIC is principally responsible for this lack of improvement. This is despite the fact that ATSIC is only a part player in meeting the needs of Indigenous Australians and that it plays no part in the delivery of education or health services.
7. With a growing government focus on practical reconciliation since 1998, ATSIC has been unfairly blamed for not 'closing the gaps' between Indigenous and other Australians.
8. The Commonwealth Grants Commission's *Indigenous Funding Inquiry* of 2001 and independent academic research by teams headed by Professor John Deeble and the late Professor Max Neutze all suggest that the major problem is under-resourcing of Indigenous need on an equitable basis by mainstream Commonwealth and State/Territory service delivery agencies.
9. Some of the best outcomes in closing the gaps have come from ATSIC programs such as the Community Development Employment Projects (CDEP) scheme and the Community Housing and Infrastructure Program (CHIP) that accounted for about 80% of ATSIC's program allocations. ATSIC has made many significant and positive program interventions elsewhere in native title, land rights, the arts, in sports, in cultural programs, often using its network of regional offices to assess regional needs.
10. Associated with the proposed abolition of ATSIC as a national representative organization has been the redirection of all its Indigenous-specific programs to mainstream departments, the so-called 'new' mainstreaming from 1 July 2004.
11. This re-allocation of programs is arguably rewarding departments that have not performed and penalizing ATSIC in many areas where it has performed. It is unclear what mechanisms have been put in place to ensure accountability by mainline departments to administer these Indigenous specific programs more effectively than ATSIC between 1990 and 2004.
12. It is certainly unclear what new accountability mechanisms have been put in place to ensure that mainstream service providers deliver mainstream services in a transparent and equitable needs basis to Indigenous clients—arguably the crucial issue in 21<sup>st</sup> century Indigenous affairs.
13. The move to abolish ATSIC and 'mainstream' Indigenous-specific programs flies in the face of international best practice in other fourth world contexts (USA, Canada and nearby New Zealand) and reinforces the existing comparative evidence that Australia is doing worse than others in addressing the disadvantage of its relatively small Indigenous population.
14. This move to disperse Indigenous specific programs is also at odds with purported whole-of-government approaches that might be better delivered if programs were the responsibility of one agency rather than many. Again no mechanism has been proposed to reduce the risk that Indigenous-specific programs are not uncoordinated and isolated within a growing number of mainstream departments.
15. It is **recommended** that one agency be empowered to deliver those Indigenous-specific programs that are predicated on Indigenous difference and diversity of circumstance. Some of these programs are linked to land rights and native title and cultural programs and are 'rights' based.
16. It is also **recommended** that this agency be empowered to collaborate with the Commonwealth Grants Commission and the Productivity Commission to monitor the provision of mainstream services to Indigenous Australians by Commonwealth and State/Territory agencies.

17. Effective closing of the gaps (as a process that may never be quite completed) will require a mix of mainstream service provision on an equitable basis and Indigenous-specific programs that focus on difference.
18. When the gaps between Indigenous and other Australians are significantly reduced, in a decade or two and assuming historic trends continue, it is **recommended** that such arrangements should be re-assessed.
19. In the meantime, it is **recommended** that the apparent intractability in actually eliminating the gaps should be addressed by more realistic resourcing of both mainstream services like housing, education and health to ensure catch up of backlogs associated with historic under-funding and Indigenous-specific programs like those associated with evident differences between Indigenous and mainstream Australians.

I have not focused on the issue of national and regional representation primarily because many appropriate options have been canvassed by the ATSI Review *In the Hands of the Regions: A New ATSI* by the Hannaford, Huggins and Collins team appointed by the Howard government. I strongly endorse both the highly consultative approach of the review team and their thorough analysis of representation options. Clearly, some form of democratically elected national Indigenous representative body is needed, as is regional representation and policy advice to governments.

I would be happy to assist your Committee further with verbal evidence if required.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jon Altman', with a long horizontal stroke extending to the right.

Professor Jon Altman  
Director, CAEPR

27 August 2004

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