Mapping the Indigenous program and funding maze

Sara Hudson
Mapping the Indigenous program and funding maze

Sara Hudson

The illustration for the cover of this report and throughout is from an original painting by Jodie Young, artist from the Keringke Arts Art Centre, Ltyentye Apurte Community N.T. Australia. The imagery in the painting represents the landscape and the people who live on the land in harmony with the spirit ancestors. Thank you to the artist and the Keringke Arts Art Centre for allowing the painting to be reproduced here.
There is much goodwill in Australia to improve Indigenous outcomes. However, too many programs are implemented because of their perceived benefit, rather than a rigorous assessment of a priori evidence.

Total spending on Indigenous programs is estimated to be at least $5.9 billion a year, comprised of:
- Federal government expenditure of $3.28 billion,
- State and territory government expenditure of $2.35 billion, and
- Indigenous not-for-profit sector own source income of $224 million.

Mapping of total federal, state and territory and non-government/not-for-profit Indigenous programs identified 1082 current Indigenous-specific programs:
- 49 federal government programs;
- 236 state and territory programs; and
- 797 programs delivered by non-government organisations (though many are funded in part or full by government).

Less than 10% (88) of these 1082 programs had been evaluated (either during or after implementation), and of those programs that were evaluated, few used methods that actually provided evidence of the program’s effectiveness.

Multiple service providers including government agencies, Indigenous organisations, not-for-profit non-government organisations (NGOs) and for-profit contractors are all competing in the same space, with little evidence of success.

One of the reasons given for the low return on Indigenous investment is that the money is not going to where it is needed most, or used in ways that respect Indigenous input into program design and delivery.

Of the 550,000 Indigenous people in Australia identified in the 2011 Census:
- Approximately 65% (360,000) are in employment and living lives not noticeably different from the rest of Australians;
- 22% (120,000) are welfare dependent and live in urban and regional areas with other welfare dependent Australians; and
- 13% (70,000) are welfare dependent and live on Indigenous land where education is usually limited and there are few employment opportunities.
It is this third group who experience the most disadvantages and who require the most support; yet most Indigenous programs continue to treat Indigenous people as a homogenous entity and do not take into account differing levels of need. Funding must be allocated on the basis of need and not just on the basis of Indigenousity.

While Indigenous Advancement Strategy (IAS) funding is broadly aligned with the Indigenous population and need— with 54% of funding dedicated to remote and very remote regions — there is very little strategy, coordination, or consultation involved in the design and implementation of programs.

Many Indigenous programs are poorly designed and inefficient. For example, a recent audit found the Indigenous Business Australia (IBA) business loan program approved only 75 loans in a year — approximately one loan for every person employed to run the program. Misuse of funds for Indigenous programs is extensive, with a recent ABC Four Corners episode revealing that 44 organisations currently delivering Indigenous programs are being investigated by compliance officers for fraud. Duplication and waste are also rife. For example:

- Reo Bourne in Western Australia, with a population of 1,150, had 67 local service providers and more than 400 programs funded by both federal and state government.
- Toomeelah in New South Wales, with a population of only 300 people, has more than 70 service providers delivering programs and services to the community.

The limited number of evaluations of Indigenous programs conducted to date highlights multiple issues with the methodology used, including a lack of comparative performance data and over-reliance on anecdotal evidence.

Taxpayer funding for Indigenous programs must also be linked to outcomes. To ensure that programs are measured against agreed performance standards, all organisations should:

- formally account for how that money has been spent;
- provide credible evidence of the program’s impact; and
- assess and report on whether the program is meeting its intended objectives.

Government and organisations should cease collecting data that does not make a valuable contribution towards improving the level of knowledge about the effectiveness of programs.

To improve accountability and transparency of Indigenous programs, information on funding of Indigenous programs, particularly at the state level and in the not-for-profit sector should be made publicly available.

In addition, while programs have their place, government should focus on real Indigenous advancement through greater economic empowerment as the long-term sustainable goal.

Introduction

“One of the great mistakes is to judge policies and programs by their intentions rather than their results.” — (Milton Friedman)

Of the 550,000 Indigenous people in Australia identified in the 2011 Census, approximately 65% (360,000) are in employment and living lives not noticeably different from the rest of Australia; 22% (120,000) are welfare dependent and live in urban and regional areas with other welfare dependent Australians; and 13% (70,000) are welfare dependent and live on Indigenous land where there are limited education and employment opportunities. It is this third group who experience the most disadvantages and who require the most support. Yet many Indigenous policies and programs treat Indigenous people as a homogenous entity, rather than recognising the population’s different levels of need.

The ongoing disadvantage experienced by many Indigenous Australians has driven growth in Indigenous expenditure to try and ‘close the gaps’ between Indigenous and non-Indigenous Australians, but much of this spending has been untargeted. There has been very little improvement in outcomes and the gaps have not narrowed. A number of Indigenous leaders have voiced their frustration at the apparent waste and inefficiency in Indigenous affairs. Vast swathes of funding are absorbed by the red tape of administration within the government bureaucracy, and on the ’middlemen’ between government and Indigenous people.

While there is general acknowledgement that developing and implementing Indigenous programs in conjunction with Indigenous people and communities is an important first step towards ensuring Indigenous people’s needs are met, few evaluations compare community-managed programs with non-Indigenous managed programs to provide evidence on the effectiveness of community-led and designed programs.

The paucity of evidence on the outcomes of Indigenous programs means it is difficult to know what to do to improve results. However, in calling for more evidence to be collected, it is important to define what this should entail. While there is very little evidence on the efficacy of Indigenous programs, there are countless research reports, endless data monitoring and much critiquing of the lack of progress in ‘closing the gap’ between Indigenous and non-Indigenous outcomes. What is not needed, is more collection of data that does not make a valuable contribution towards improving the level of knowledge about the impact of programs.

This point was noted at a Productivity Commission Roundtable on the role of evaluation in improving outcomes for Aboriginal and Torres Strait Islander Australians.

‘There was general agreement that a lot of data are being produced about Indigenous Australians. However, there is a tension between the political imperative to develop and report data to measure achievement of the COAG targets (which focus on a limited range of social indicators) and the broader need to inform policy and program evaluations.”

This research report has mapped the number of government and non-government Indigenous programs to identify the overall number of Indigenous programs and potential level of duplication among different program providers (federal, state/territory and non-government). Although there have been previous attempts to map the number of federal government programs, this is the first time such a detailed analysis of all the different federal, state/territory and non-government programs has been undertaken. The report also assesses the impact of the federal government’s decision to merge 150 programs into five and the distribution of federal funding under the five overarching program streams.

In addition, this report also estimates how much funding is allocated for Indigenous-specific programs, across the non-government sector as well as by federal and state/territory governments. However, identifying this was not as straightforward as it should have been due to the lack of publicly available information on funding of Indigenous programs, particularly at the state level and in the not-for-profit sector.

This report is the first in a series of reports that will investigate Indigenous funding and program delivery. Future research will include a more detailed analysis of Indigenous programs and evaluations and a review of different service and delivery models, including pay-for-performance funding models.
### The scope of Indigenous programs in Australia

In less than 10 years, federal, state and territory taxpayer spending on Indigenous Australians increased in real terms by 20% — from $21.9 billion in 2008-09 to $25.4 billion in 2010-11, and to $30.3 billion in 2012-2013. However, these expenditure figures include estimates of the proportion of mainstream services spent on Indigenous Australians, such as education and health, which all Australians receive. Indigenous-specific expenditure (programs, services and payments explicitly targeted at Aboriginal and Torres Strait Islanders) is a smaller — though still significant — component; rising from $5.1 billion in 2008-09 to $5.5 billion in 2010-11, and to $5.6 billion in 2012–13 in nominal terms, which represents a decrease in real terms by 1.2%. The total amount spent by governments and non-government organisations (charities) on Indigenous programs per annum is estimated to be at least $5.9 billion a year, comprised of:

- federal government expenditure of $3.28 billion;
- state and territory government expenditure of $2.35 billion; and
- Indigenous not-for-profit sector own source income of $224 million.

Many programs are funded from multiple sources, making it hard at times to determine whether a program is a federal, state, or NGO program. For example, both the federal government and the NSW government provide funding for the NSW Aboriginal Jobs Together program — just over $4.8 million was provided by the NSW government and approximately $3 million by the federal government (through its Indigenous Employment Program). However, the program is actually administered by the National Disability Services (NDS) and implemented by NGOs that provide industry placements and support for Indigenous cadets.

The Productivity Commission has produced three reports on Indigenous expenditure since the Council of Australian Governments (COAG) first suggested commissioning the biennial reports in 2007 — with the first edition published in 2010. Yet, while the Indigenous expenditure reports aim to illuminate how much government money is currently being spent on Indigenous Australians, the reports do not identify how the money is being spent and by whom (beyond certain categories and levels of government). Nor do the reports attempt to assess the adequacy, effectiveness or efficiency of government expenditure. The lack of evidence on the effectiveness of Indigenous programs is of increasing concern.

A desktop review** for this report identified a total of 1082*** different programs — though this is likely to be just the tip of the iceberg — see Appendix A for methodology. The majority (74%) of programs were delivered by NGOs (though many are funded in part or full by government). NGO in this instance, refers to any non-government organisation, including Aboriginal organisations such as Aboriginal Community Controlled Health Services.

<table>
<thead>
<tr>
<th>Year</th>
<th>Report</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Strategic Review of Indigenous Expenditure, Department of Finance and Regulation (released under FOI)</td>
<td>Robust evidence is lacking on the performance and effectiveness of many Indigenous programs. Program evaluation activity in this area has been patchy at best, and many of the evaluations which have been conducted have lacked a suitable measure of rigor and independence.</td>
</tr>
<tr>
<td>2010</td>
<td>Indigenous Expenditure Report 2010, Australian Productivity Commission</td>
<td>Despite the commitment of significant government expenditure over many years, disparities between outcomes for Indigenous and non-Indigenous Australians persist. Yet there is limited information with which to assess the adequacy, effectiveness and efficiency of expenditure on programs aimed at addressing these disparities.</td>
</tr>
<tr>
<td>2012</td>
<td>Indigenous Expenditure Report 2012, Australian Productivity Commission</td>
<td>The disparity between outcomes for Indigenous and other Australians has been an ongoing policy concern for governments at all levels.</td>
</tr>
<tr>
<td>2014</td>
<td>Indigenous Expenditure Report 2014, Australian Productivity Commission</td>
<td>…many data quality and methodological challenges are yet to be resolved…</td>
</tr>
<tr>
<td>2014</td>
<td>Forrest Review, Creating Parity</td>
<td>What is lacking is the published, regular, robust measurement of performance and effectiveness of policies and their implementation.</td>
</tr>
<tr>
<td>2014</td>
<td>Towards Responsible Government — Indigenous Programs, National Commission of Audit</td>
<td>Despite the large amount of money being spent, outcomes for Indigenous Australians are still well behind the rest of the population and targets are not being achieved.</td>
</tr>
<tr>
<td>2015</td>
<td>National Indigenous Reform Agreement, Performance Assessment, Australian Productivity Commission</td>
<td>There has also been a large body of research covering Indigenous policy in Australia. However, formal rigorous evaluations of Indigenous programs (mainstream and Indigenous-specific) that set the benefits of particular policies for reducing disadvantage against the costs are relatively scarce.</td>
</tr>
</tbody>
</table>

** A review of publicly available information on the internet.
*** This figure is based on information available when the report was written and may have changed.

---

Table 1: Reports on Indigenous expenditure and programs

Table 2: Number of overall programs by category

Source: government websites, major philanthropic and NGO websites, and analysis of IAS funding recipients and programs listed on the Australian Indigenous HealthInfoNet. Categories used broadly align with the categories used in the 2015 Indigenous expenditure report, which reflect the six broad areas that relate to the National Indigenous Reform Agreement and Overcoming Indigenous Disadvantage reports building blocks: early child development, education and training; healthy lives; economic participation; home environment; and safe and supportive communities.

** Figure 1: Types of Indigenous programs (delivery)

*** Figure 2: Number of overall programs by category

---

* This is a very conservative estimate; see chapter on NGO programs later in this report.
Figure 3 below shows the difference between the number of state and territory government programs and the number of NGO programs, which highlights the important difference between the funding and delivery of programs. While many of the programs are funded by federal and/or state and territory governments, the majority (n=797) are delivered by NGO organisations rather than government institutions or agencies, reflecting an increasing trend among governments to outsource the delivery of programs to the non-government sector. In addition to delivering federal government and state programs, a number of NGOs have also developed their own programs; for example the self-determination program delivered by Oxfam and the Clontarf football academy program delivered by the Clontarf Foundation.21

The Indigenous HealthInfoNet also provides information on the ‘reach’ of programs — the states and territories where the various programs are delivered. Of the 1082 programs identified, just over 150 of those programs were delivered nationally.

Figure 4: Reach of programs (jurisdiction in which programs are delivered)

Source: Government websites, major philanthropic and NGO websites, and analysis of IAS funding recipients and programs listed on the Australian Indigenous HealthInfoNet.

Funding of federal government programs

The 2014 National Commission of Audit’s report ‘Towards Responsible Government’ included a review of Indigenous programs.22 The report found that, in the Department of the Prime Minister and Cabinet alone, there were more than 150 programs and activities, with a total annual funding of approximately $2.4 billion (including almost $0.8 billion for Indigenous-specific National Partnerships).23

Following the National Commission of Audit’s review, the federal government began to look at ways to reverse the rise in Indigenous expenditure by reducing some of the administrative burden and waste involved in delivering so many programs. This included cutting $534 million of funding from the Indigenous affairs budget.24 Concurrent with the large National Partnership Agreements expiring, expenditure on Indigenous programs within the Department of the Prime Minister and Cabinet has declined — see Figure 5 below.25

The National Partnership Agreements are agreements between the Commonwealth of Australia and the states and territories to ensure that all levels of government are committed to the same framework of outcomes, measure of progress, and policy directions under the Closing the Gap policy. There were six national partnerships, with a combined value of $5.5 billion detailed overleaf.26 All but one, Remote Indigenous Agreements, have now expired.

Concurrent with the large National Partnership Agreements expiring, expenditure on Indigenous programs within the Department of the Prime Minister and Cabinet has declined — see Figure 5 below.25

The National Partnership Agreements are agreements between the Commonwealth of Australia and the states and territories to ensure that all levels of government are committed to the same framework of outcomes, measure of progress, and policy directions under the Closing the Gap policy. There were six national partnerships, with a combined value of $5.5 billion detailed overleaf.26 All but one, Remote Indigenous Agreements, have now expired.

Figure 5: Downward trend in Indigenous expenditure


The Indigenous HealthInfoNet also provides information on the ‘reach’ of programs — the states and territories where the various programs are delivered. Of the 1082 programs identified, just over 150 of those programs were delivered nationally.
In the 2015-16 Budget, the Stronger Futures in the Northern Territory National Partnership was replaced by a new National Partnership, the Northern Territory Remote Aboriginal Investment, which will provide $871 million over five years. In the 2016-17 Budget, the federal government detailed the provision of funding to the states and territories for Indigenous-specific programs under five National Partnerships Agreements – see Table 3 above.

**The Indigenous Advancement Strategy**

In line with the recommendations of the National Commission of Audit’s report on Indigenous programs, the Coalition government implemented structural changes to the administration of Indigenous programs (the Indigenous Advancement Strategy or IAS). This involved the merging of Indigenous programs administration by eight separate government departments into the Department of the Prime Minister and Cabinet, and ‘streamlining’ more than 150 programs previously administered by the federal government into five streams under the IAS. The five new programs streams are:

- Jobs, Land and Economy
- Children and Schooling
- Safety and Wellbeing
- Culture and Capability
- Remote Australia Strategies

There was a case for reform. Under the previous arrangement, some organisations had more than 50 different funding agreements with various federal government departments. In total, the federal government was administering 20,671 performance, financial and acquittal reports from 820 organisations (an average of 4.5 funding agreements per organisation). The majority of funding agreements were short-term (less than 15 months) and low amounts, placing an administrative burden on departments, and undermining the capacity of Aboriginal organisations to deliver results. The government anticipates the IAS reforms will reduce the amount of money spent administering Indigenous programs by $32.2 million, from $311.1 million in 2014–15 to $279.0 million in 2015–16.

However, the actions undertaken by the federal government in implementing this reform were in direct conflict with the narrative they espoused about putting Indigenous communities and people at the centre of the design and delivery of programs. Although the government claimed the changes were necessary to minimise bureaucracy and increase transparency and accountability, a number of Indigenous organisations complained about the lack of transparency in the processes used by government in allocating funding.

Nor was there any obvious assessment of need or evaluation of what works. While the 2014 IAS funding guide asked applicants to demonstrate the ‘need’ for the proposed program or service in their chosen community or target group, submissions to the Senate Committee Inquiry into the IAS Tendering process noted there was little consultation with communities about the programs and services they needed.

My sense was that it was a bureaucratic process of officers of the Department [of the Prime Minister and Cabinet] out there deciding what was needed by communities, when in fact that is the opposite of what you should be doing. You should be engaging with the community to work out what the community is saying.

As a result of the ad-hoc process used in distributing IAS funding the federal government has been forced to introduce emergency funding to address service delivery gaps. The ongoing issues with the IAS funding have seen the Australian National Audit Office (ANAO) recently announce that they will be conducting their own investigation, with a report due in December 2016.

It is difficult to see how the government will meet its budgeted expenditure under the IAS of $4.9 billion over four years, given that more than $3.85 billion will be spent in the first two years. What will happen in the final two years of the IAS funding period? Will Indigenous communities and organisations providing services to Indigenous people be expected to operate on markedly reduced funding, or will the government simply expand the budget?

Analysis of the IAS funding data for this report identified 2209 separate funding agreements for programs or services in the 2014–15 Indigenous Advancement Strategy (IAS) funding round. In total, these funding agreements come to $2.1 billion of the $4.9 billion the federal government has allocated the IAS over the next four years (to 2018-2019).

**Table 2: Funding under National Partnership Agreements**

<table>
<thead>
<tr>
<th>Agreement</th>
<th>Funding details</th>
<th>Started</th>
<th>Expires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remote Service Delivery</td>
<td>$291.2 million over six years to support improvements across 26 remote locations across the Northern Territory, Western Australia, Queensland, New South Wales and Northern Australia.</td>
<td>July 2009</td>
<td>30 June 2015</td>
</tr>
<tr>
<td>Indigenous Economic Participation</td>
<td>$328.8 million over five years to improve opportunities for Indigenous people to engage in private and public sector jobs.</td>
<td>July 2009</td>
<td>30 June 2014</td>
</tr>
<tr>
<td>Remote Indigenous Agreements</td>
<td>$1.94 billion over 10 years for housing reform and infrastructure arrangements in remote Indigenous communities.</td>
<td>July 2009</td>
<td>30 June 2019</td>
</tr>
<tr>
<td>Indigenous health outcomes</td>
<td>$1.57 billion over four years to contribute to ‘closing the gap’ in health outcomes.</td>
<td>July 2009</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Remote Indigenous public internet access</td>
<td>$6,967 million over four years to expand and maintain public access to the internet.</td>
<td>July 2009</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>Northern Territory (agreement between the Commonwealth and the Northern Territory Government)</td>
<td>$807.4 million over three years to continue the Northern Territory Emergency Response (NTER), which originated with the Australian Government in June 2007.</td>
<td>July 2009</td>
<td>30 June 2013</td>
</tr>
</tbody>
</table>

**Table 3: Funding for Indigenous programs through current National Partnerships**

<table>
<thead>
<tr>
<th>National Partnership</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
<th>2019-2020 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT Remote Aboriginal Investment</td>
<td>337.9</td>
<td>169.1</td>
<td>166.9</td>
<td>103.4</td>
<td>94.4</td>
</tr>
<tr>
<td>NP on Indigenous health1</td>
<td>10.8</td>
<td>11.5</td>
<td>11</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Torres Strait health protection strategy – mosquito control</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Torres Strait/PNG cross border health issues</td>
<td>4.6</td>
<td>4.7</td>
<td>4.7</td>
<td>4.8</td>
<td>4.9</td>
</tr>
<tr>
<td>NP on Remote Indigenous Housing</td>
<td>388.3</td>
<td>428.5</td>
<td>45.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>742.6</td>
<td>614.8</td>
<td>519.4</td>
<td>110.3</td>
<td>101.4</td>
</tr>
</tbody>
</table>

**Table 4: Budgeted expenses for Indigenous Advancement Strategy programs**

<table>
<thead>
<tr>
<th>Program</th>
<th>2015-16 Estimated actual $’000</th>
<th>2016-17 Budget $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Jobs, Land and Economy</td>
<td>$911,217</td>
<td>$927,262</td>
</tr>
<tr>
<td>2.2 Children and Schooling</td>
<td>$285,984</td>
<td>$286,925</td>
</tr>
<tr>
<td>2.3 Safety and Wellbeing</td>
<td>$286,536</td>
<td>$293,672</td>
</tr>
<tr>
<td>2.4 Culture and Capability</td>
<td>$63,310</td>
<td>$54,915</td>
</tr>
<tr>
<td>2.5 Remote Australia Strategies</td>
<td>$93,161</td>
<td>$92,700</td>
</tr>
<tr>
<td>2.6 Program Support</td>
<td>$281,496</td>
<td>$279,819</td>
</tr>
<tr>
<td>Total</td>
<td>$1,922,707</td>
<td>$1,935,293</td>
</tr>
</tbody>
</table>

**How much is spent?**

Total Indigenous-specific funding managed by the Department of Prime Minister and Cabinet is $8.6 billion over four years, consisting of:

- $4.9 billion to the Indigenous Advancement Strategy;
- $3.7 billion allocated through National Partnership Agreements, Special Accounts, and Special Appropriations.

Other grant funding is also available through Indigenous-specific and mainstream programs delivered by other agencies, as well as Indigenous Portfolio bodies, such as Indigenous Business Australia. In July 2014, the Indigenous Australians Health Program (IAHP) was established in the Department of Health to consolidate four previously existing funding streams including early child, maternal and health programs. Funding allocated to the IAHP was $2.4 billion over three years.

Table 4 highlights the estimated expenditures and the budgeted expenses for the 2016-17 Budget, the bipartisan agreements, and Cabinet Budget Statements, for each of the five IAS program streams. The table also provides data on the departmental expenses supporting the programs. In total, the expenditure was $1.92 billion (note: figure does not include additional money allocated through National Partnership Agreements or money spent by the government’s statutory authorities such as Indigenous Business Australia).

It is difficult to see how the government will meet its budgeted expenditure under the IAS of $4.9 billion over four years, given that more than $3.85 billion will be spent in the first two years. What will happen in the final two years of the IAS funding period? Will Indigenous communities and organisations providing services to Indigenous people be expected to operate on markedly reduced funding, or will the government simply expand the budget?

Analysis of the IAS funding data for this report identified 2209 separate funding agreements for programs or services in the 2014-15 Indigenous Advancement Strategy (IAS) funding round. In total, these funding agreements come to $2.1 bilion of the $4.9 billion the federal government has allocated the IAS over the next four years (to 2018-2019).
Where is the money spent?

The following sections look at where the federal 2014-15 IAS grant money for Indigenous programs and services is spent by program type, grant recipient and location.

Distribution of IAS funding by program stream

The program stream ‘Children and Schooling’ received the highest number of grants (n=997) — see Figure 6 followed by the ‘Jobs, Land and Economy’ program stream (n=760). Together, these two funding streams received 98% of the $2.1 billion in IAS funding distributed in 2014–15. This allocation of funding reflects the federal government’s emphasis on getting ‘Indigenous children into school and adults into work.’

The total value of grants under the ‘Jobs, Land and Economy’ program stream was $1.4 billion, and the total value of grants under the ‘Children and Schooling’ program stream came to $701 million.

The average grant under both the ‘Jobs, Land and Economy’ and ‘Children and Schooling’ program streams was also higher than the other program streams, with average grant values of $1.8 million and $0.77 million respectively. Grants under the ‘Culture and Capability’ program stream were the lowest, with an average grant value of $15,000.

Table 5: IAS program components under each program stream

<table>
<thead>
<tr>
<th>Program</th>
<th>Program component</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginals Benefit Account</td>
<td>(Special Account)</td>
<td>137</td>
</tr>
<tr>
<td>Indigenous Employment Programme</td>
<td></td>
<td>417</td>
</tr>
<tr>
<td>Jobs - Cadetship</td>
<td></td>
<td>222</td>
</tr>
<tr>
<td>Remote Jobs and Communities Programme</td>
<td></td>
<td>158</td>
</tr>
<tr>
<td>Working on Country</td>
<td>(Indigenous Rangers)</td>
<td>12</td>
</tr>
<tr>
<td>Family Support Programme</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Indigenous Education (Targeted Assistance)</td>
<td></td>
<td>685</td>
</tr>
<tr>
<td>Indigenous Youth Leadership Project</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Remote School Attendance Strategy</td>
<td></td>
<td>109</td>
</tr>
<tr>
<td>Sporting Chance Programme</td>
<td></td>
<td>29</td>
</tr>
<tr>
<td>Indigenous Sport and Active Recreation Programme</td>
<td></td>
<td>17</td>
</tr>
<tr>
<td>SPNT - Alcohol Abuse and Food Security</td>
<td></td>
<td>58</td>
</tr>
<tr>
<td>Social and Emotional Wellbeing</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Substance Misuse Service Delivery Grants (Alcohol and Drug Treatment Services)</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Indigenous Broadcasting Programme</td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Public Awareness Programme (NAIDOC activities)</td>
<td></td>
<td>342</td>
</tr>
<tr>
<td>Indigenous Housing and Infrastructure</td>
<td></td>
<td>28</td>
</tr>
</tbody>
</table>

Overall, there were 50 different program ‘components’ listed, with 17 having more than 10 grants attached to them. The program ‘component’ with the highest number of grants was the Indigenous Education (Targeted Assistance) package (n=685). The majority of grants under this category went to the following six programs and/or projects:

- Parental and Community Engagement (PaCE) Project — 229 grants totalling $19.8 million
- School Nutrition Programme — 81 grants totalling $8.5 million
- A project for Indigenous people aged 16–24 from regional and remote communities who need to move away from home to gain vocational or tertiary qualifications — 38 grants totalling $9.1 million
- National Indigenous English Literacy Numeracy Strategy (NIELNS) — 33 grants totalling $1.6 million
- Targeted educational assistance to Indigenous Australians — 22 grants totalling $1.4 million

Box 1: NAIDOC

NAIDOC NAIDOC originally stood for ‘National Aborigines and Islanders Day Observance Committee’ and the committee’s acronym has since become the name of the week. NAIDOC week is from the first Sunday in July until the following Sunday and various activities take place during that week to celebrate the history, culture and achievements of Aboriginal and Torres Strait Islander people.

For many years the Australian government has provided funding to organisations, including government departments, to help celebrate NAIDOC week. Since 2009, the government has provided more than 1000 NAIDOC grants at an approximate total cost of $10 million.

Number of federal Indigenous programs

These 50 different program components with their additional sub-branches of programs and projects suggest the Australian government has not actually merged 150 programs into five programs, and has simply shuffled them into slightly smaller silos under different program headings.

This finding was further corroborated in the desktop review, which identified 49 different federal government programs currently being delivered: see Figure 7. The same categories were used to differentiate the programs, but the actual number of federal government programs delivered by government agencies and institutions, differs from the allocation of IAS funding. The review found that 40% of the federal programs are “Safety and Wellbeing” (crime and health) programs, while the majority of IAS funding primarily went to education and services.
employment related programs. This is because most of the health programs are not funded under IAS funding. For example, the National Aboriginal and Torres Strait Islander Flexible Aged Care Programme is a component of the Australian Government’s Residential and Flexible Care Programme, and is funded by the Australian Government Department of Social Services, while other health programs like the Tackling Indigenous Smoking Programme are funded through the Department of Health.48

Figure 8: Number of federal government programs by category

Distribution of IAS funding by grant recipient

The fact that a large number of non-Indigenous organisations received funding while many Aboriginal organisations had their funding reduced, or missed out on funding entirely, led to widespread condemnation of the IAS tendering process by many in the Aboriginal industry.49 Among the list of non-Indigenous recipients were state government departments, universities, churches and sporting organisations, such as the Brisbane Broncos and North Queensland Cowboys NRL clubs. There were also concerns that a number of NRL clubs. There were also concerns that a number of Registered Training Organisations went towards targeted education initiatives, such as the School Nutrition programs or programs to improve Indigenous people’s literacy and numeracy. Similarly, many of the grants awarded to individuals and businesses were for wage subsidies to employ Indigenous people.

Therefore, while some of the criticism levelled at the federal government may be justified, many of the non-Indigenous organisations that received funding may have been the most suitable recipients to deliver the program or service.49 Furthermore, when educational institutions and private businesses are separated out from the non-Indigenous organisations, the total value of grants to Aboriginal organisations was more than double the total value of grants to non-Indigenous not-for-profit organisations ($524 million compared with $202 million).

Figure 10: Number and value of IAS grants to different types of recipients


Overall, the distribution in the number of grants broadly aligns with the size of the Indigenous population in each state and territory, with the two noticeable differences being Queensland and the Northern Territory. Yet, while the number of grants is broadly consistent with the Indigenous population of each state, the value of grants is not. New South Wales has the largest Aboriginal population and had the highest number of grant recipients, however the value of these grants was very low, less than the value of grants allocated to Queensland, the Northern Territory and Western Australia. An explanation for this could be the large number of NAIDOC grants awarded to grant recipients in New South Wales.

Figure 11: Number of grants and population for each state and territory


Distribution of IAS funding by location

Queensland has the second largest population of Aboriginal and Torres Strait Islander people (389,000 people), however the total value of grants awarded to Queensland ($934 million) was the highest of all the states and territories. Likewise, while the Northern Territory does not have a large Indigenous population, it received the second largest number of grant recipients (n=573) and the total value of grants ($746 million) was also the second highest. An explanation for this could be that both Queensland and the Northern Territory have a high proportion of Indigenous people living in remote and very remote regions. The Northern Territory has also traditionally received a larger proportion of federal government funding per capita than any other state and territory, on the basis of high levels of Indigenous disadvantage — with more than 80% of its revenue coming from Canberra.50

Figure 12: Number and value of IAS grants by jurisdiction


As noted above, Indigenous people living in remote and very remote regions of Australia experience the highest levels of disadvantage of all Indigenous Australians.51 A large proportion of the approximately 70,000 Aboriginal and Torres Strait Islander people living in remote Australia are unemployed and dwell in appalling sub-standard community housing.52 Isolated from mainstream services, their health status is worse on every indicator than any other population group in Australia, and they suffer from some of the highest rates of rheumatic fever and infectious diseases in the world.53 Consequently, the proportion of funding going to remote regions of Australia should be higher per head of population than the proportion of funding going to other regions.

Overall, 54% of IAS grants, worth approximately $1.2 billion of the total $2.1 billion of IAS funding, were for remote and very remote regions. Again, while there was a higher number of grants in regional and metropolitan areas, these grants were for small amounts. A large proportion, 35% (or $759 million) of the IAS funding also went to grant recipients operating in multiple regions and postcodes.

Figure 13: Number and value of IAS grants by remoteness

To further determine whether IAS funding is going to where it is really needed, the IAS funding data was analysed to see the proportion and value of grants distributed to Australia’s most disadvantaged postcodes and Statistical Local Areas (SLAs — see methodology section in Appendix A). Not all of the top five most disadvantaged postcodes or SLAs received IAS grants — there may be a variety of explanations for this, including that no organisations from these postcodes applied for IAS funding, or that funding was distributed on a regional or state-wide basis (note Figure 14 includes data only from single postcodes).

The disadvantaged post code that received most funding was Boggabilla in NSW, ($782,980) — see text box below. The funding was administered under the Remote School Attendance Strategy, which aims to “develop capacity in parents, carers and interested people in the community to ensure children go to school every possible day.”

In the 2011 census, the population of Boggabilla was 626, and 58% of the residents identified as being of Aboriginal or Torres Strait Islander descent. A total of 197 Aboriginal children and teenagers in Toomelah/Boggabilla were attending school in 2011, with 26 in pre-school, 121 in primary school, and 50 in high school. This means there is approximately $5000 dollars for every school-aged child under the $783,000 in Remote School Attendance Strategy funding. In 2012, it was reported that Toomelah’s population of approximately 300 people received services from more than 60 different government and non-government agencies. Despite the millions of dollars that have gone into Toomelah over the years, the community continues to be beset by problems.

Box 2: Boggabilla
Boggabilla is a small town north of Moree in remote NSW. The postcode for Boggabilla is shared with Toomelah – an Indigenous community 14kms away that was established as a mission in the 1930s, and has been the subject of several inquiries over the years relating to poor sanitation and child abuse. In the 2011 census, the population of Boggabilla was 626, and 58% of the residents identified as being of Aboriginal or Torres Strait Islander descent. A total of 197 Aboriginal children and teenagers in Toomelah/Boggabilla were attending school in 2011, with 26 in pre-school, 121 in primary school, and 50 in high school. This means there is approximately $5000 dollars for every school-aged child under the $783,000 in Remote School Attendance Strategy funding. In 2012, it was reported that Toomelah’s population of approximately 300 people received services from more than 60 different government and non-government agencies. Despite the millions of dollars that have gone into Toomelah over the years, the community continues to be beset by problems.

Most of the IAS funding delivered to disadvantaged SLAs in the Northern Territory was administered from the Aboriginals Benefit Account (ABA), which consists of funds generated from mining royalties. The ABA grant fund is administered by the Department of the Prime Minister and Cabinet for initiatives that benefit Aboriginal people living in the Northern Territory. Funding can be applied for initiatives that fall under the following four categories:

- small business
- land, sea and waters management and use
- community enhancement education
- leadership.

Two streams of funding are available: small projects (up to and including $250,000); and large projects, for projects worth over $250,000. A total funding pool of $30 million was available in 2014-15. Although there has been criticism of how the ABA funds have been used, nearly all the IAS recipients of ABA grants were Indigenous organisations in the Northern Territory — with a few notable exceptions, such as the Clontarf Foundation, the Fred Hollows Foundation and Riding for the Disabled Alice Springs (RDA). At the same time, the ABA regularly averages more than $100 million per annum in mining royalty equivalents. This is a considerable amount of money that could potentially deliver positive outcomes to Indigenous communities if administered appropriately. In a previous report, the CIS suggested distributing ABA funds into individual trust accounts, similar to superannuation accounts. This money could then be made available for targeted expenditures such as health, education and housing, as well as superannuation — rather than being absorbed by multiple layers of Aboriginal bureaucracy. However, more work is needed to determine the feasibility of this option.

In summary, despite the criticisms levelled at the IAS tendering process, funding appears to have been allocated on the basis of need (remoteness and disadvantage). Therefore, the biggest issue is not where the money is going, but what is happening to it: how is it being delivered and what is it buying? In addition, without formal needs assessments and accountability measures to track what is happening to that money, it is difficult to know whether the lack of progress in improving outcomes is because there is not enough money relative to need, or whether the funding for Indigenous programs and services is being wasted.

Due to issues with the way in which most states and territories publicly report on their Indigenous expenditure, the most reliable source of information on state and territory spending on Indigenous affairs is the Productivity Commission’s 2014 Indigenous Expenditure Report. However, although the expenditure reports provide information on the amount of direct state and territory government Indigenous-specific expenditure, this information is not at the program level.


Table 6: State and territory government direct Indigenous-specific expenditure by jurisdiction (millions)

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Indigenous-specific expenditure by jurisdiction (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>$189</td>
</tr>
<tr>
<td>VIC</td>
<td>$501</td>
</tr>
<tr>
<td>QLD</td>
<td>$422</td>
</tr>
<tr>
<td>WA</td>
<td>$206</td>
</tr>
<tr>
<td>SA</td>
<td>$16</td>
</tr>
<tr>
<td>TAS</td>
<td>$20</td>
</tr>
<tr>
<td>ACT</td>
<td>$539</td>
</tr>
<tr>
<td>NT</td>
<td>$2,351</td>
</tr>
</tbody>
</table>

Due to issues with the way in which most states and territories publicly report on their Indigenous expenditure, the most reliable source of information on state and territory spending on Indigenous affairs is the Productivity Commission’s 2014 Indigenous Expenditure Report. However, although the expenditure reports provide information on the amount of direct state and territory government Indigenous-specific expenditure, this information is not at the program level.
More than 15 programs were identified but it appears some are no longer current. In some cases, it was also difficult to ascertain which programs were still current and which ones had been completed.

As the different examples illustrate, although the program may be administered by a state or territory government agency, funding for the program can come from a number of sources. The review identified 15 state and territory government employment and economic development programs.*

**Box 3: Funding for state and territory government employment and economic development programs**

The review identified 15 state and territory government employment and economic development programs.* As the different examples illustrate, although the program may be administered by a state or territory government agency, funding for the program can come from a number of sources.

### Table 7: NSW government’s expenditure on Aboriginal people

<table>
<thead>
<tr>
<th>Department of Education NSW</th>
<th>Aboriginal Affairs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2014-15</strong></td>
<td><strong>Revised</strong></td>
</tr>
<tr>
<td>$m</td>
<td>$m</td>
</tr>
<tr>
<td>20.1</td>
<td>29.8</td>
</tr>
</tbody>
</table>


Most of the figures in state budget papers were for the total spend under particular categories (see Table 8 for an example). In addition to Indigenous-specific funding, some states have non-Indigenous-specific funding sources, such as Royalties for Regions in Western Australia, to which local Aboriginal organisations and NGOs can apply for grants to deliver services and programs in remote Indigenous communities.44

In some cases, more detailed information about state expenditure on Indigenous programs and services was available for specific regions in a state. For example, in Western Australia, a report reviewed all the social, economic participation and community services expenditure delivered in Roebourne and surrounding Indigenous communities – see Box 4.49

**Box 4: Location Based Expenditure Review – Roebourne Western Australia**

The report on social, economic participation and community services expenditure found that in the 2013–2014 financial year, $58.7 million was spent on Roebourne. This funding came from a mixture of sources, and included: state government contribution of 51% ($30 million); the federal government contribution of 30% ($18 million); local government contribution of 10% ($6 million); Aboriginal corporations’ contribution of 5% ($3 million); and industry contribution of 4% ($2.3 million). Of the $58.7 million, government (state, federal and local) received 69% ($40.5 million) while Aboriginal corporations received 20% ($11.7 million).

Government contracted out $11 million of the $40.5 million and was responsible for delivering the remaining $29.4 million. Of the $58.7 million spent on Roebourne, 25% ($14.7 million) was specifically for Aboriginal people. The report found there continued to be poor outcomes for Aboriginal people in Roebourne despite high levels of spending due to the “scatter-gun approach to spending, with fragmented service delivery, inadequate coordination and significant wasted effort.”48 There was also under-reporting of Industry and Aboriginal Corporation funding.49
Figure 15 shows total direct state and territory expenditure on Indigenous Australians under the COAG National Indigenous Reform Agreement categories. The category with the highest percentage of Indigenous-specific expenditure was home environment ($752 million), followed by healthy lives ($467 million).

However, the fact that home environment has the highest percentage of expenditure is largely due to the amount of money the Northern Territory government spends on housing, which at $286 million, is almost half of the total state and territory spend (see box below for a further breakdown in the Northern Territory’s spending on Indigenous housing). Other states, such as New South Wales, Victoria and ACT, spent a larger percentage of their total Indigenous-specific expenditure on other categories, such as safe communities.

**Box 5: Remote Housing in the Northern Territory**

The 2016-17 Northern Territory Budget suggests that the government will spend $351.42 million delivering remote and regional housing initiatives across the Territory (some of this is under a National Partnership Agreement and over five years). This includes:

- $210.9 million to continue to construct new, and upgrade existing, housing in remote Indigenous communities across the Territory under the National Partnership agreements on Remote Housing and Northern Territory Remote Aboriginal Investment;
- $2 million to construct new dwellings in Elliott and Kalkarindji;
- $25.3 million to construct additional housing and associated works in Arlparra;
- $81.7 million to provide property and tenancy management for remote Indigenous public housing, including $62.1 million under the National Partnership Agreement on Remote Housing;
- $2.37 million to provide accommodation options for visitors to Alice Springs; and
- $1 million to establish a Northern Territory Remote Housing Development Authority to provide improved housing services in remote communities.

In addition, the 2016-17 Budget continues the Homelands Program, providing $21.3 million to support the delivery of housing and maintenance services for people living on homelands.

The 2016-17 Budget also provides $1.5 million to continue the Remote Home Ownership program and $5.35 million to continue the Homelands Extra Allowance program.²³

**Failure of Indigenous housing policy in the Northern Territory**

Housing programs in the Northern Territory have been marred by problems since their inception, some 30 years or more ago. Specific examples of government incompetency and waste include:

- The fact that more than $2 billion of federal funding to Indigenous housing associations in the Northern Territory between 2001 and 2006 under the Community Housing and Infrastructure Program could not be accounted for.³³
- The government spent $672 million in the first 15 months of the Strategic Indigenous Housing and Infrastructure Program in the Northern Territory, but not one house was built in that time.³³

Recent news stories suggest that problems with Indigenous housing continue, with the town of Elliot not receiving any new housing since 2000.³³

More detailed information on the breakdown of state and territory government spending on Indigenous-specific programs shows how funding is distributed under each of these categories. As Figure 16 illustrates, while the Northern Territory overall spends the most of all the states and territories on the home environment, Queensland spent more on housing services. The Northern Territory’s largest area of expenditure was for community and environmental services ($203 million). However, given that $211 million will be spent constructing new homes under a new National Partnerships Agreement, the Northern Territory may now be spending more on housing than Queensland.

Similarly, analysis of the safe communities’ expenditure shows that New South Wales, Victoria and Queensland spent more on community support and welfare (under programs like the Koori intensive support program)³³, than the Northern Territory and Western Australia, where the greatest areas of expenditure were for public order and safety.

Unlike the distribution of funding under the IAS, very little state and territory funding was spent under the economic participation category (only $17 million), with the ACT, South Australia, Tasmania and Queensland, allocating none in this category. This suggests less duplication in funding between the federal government and state and territory governments than there is for other categories, such as health. Indeed, further analysis of the economic participation category identified two sub-components: labour/employment services and social security support. No states and territories allocated any Indigenous-specific funding under social security support, as income support is seen as the responsibility of the federal government. Clearer demarcation in responsibilities for other categories of expenditure could help to resolve some of the overlap in program and service delivery between the federal and state and territory governments.

**Failure of Indigenous housing policy in the Northern Territory**

Housing programs in the Northern Territory have been marred by problems since their inception, some 30 years or more ago. Specific examples of government incompetency and waste include:

- The fact that more than $2 billion of federal funding to Indigenous housing associations in the Northern Territory between 2001 and 2006 under the Community Housing and Infrastructure Program could not be accounted for.³³
- The government spent $672 million in the first 15 months of the Strategic Indigenous Housing and Infrastructure Program in the Northern Territory, but not one house was built in that time.³³

Recent news stories suggest that problems with Indigenous housing continue, with the town of Elliot not receiving any new housing since 2000.³³

More detailed information on the breakdown of state and territory government spending on Indigenous-specific programs shows how funding is distributed under each of these categories. As Figure 16 illustrates, while the Northern Territory overall spends the most of all the states and territories on the home environment, Queensland spent more on housing services. The Northern Territory’s largest area of expenditure was for community and environmental services ($203 million). However, given that $211 million will be spent constructing new homes under a new National Partnerships Agreement, the Northern Territory may now be spending more on housing than Queensland.

Similarly, analysis of the safe communities’ expenditure shows that New South Wales, Victoria and Queensland spent more on community support and welfare (under programs like the Koori intensive support program)³³, than the Northern Territory and Western Australia, where the greatest areas of expenditure were for public order and safety.

Unlike the distribution of funding under the IAS, very little state and territory funding was spent under the economic participation category (only $17 million), with the ACT, South Australia, Tasmania and Queensland, allocating none in this category. This suggests less duplication in funding between the federal government and state and territory governments than there is for other categories, such as health. Indeed, further analysis of the economic participation category identified two sub-components: labour/employment services and social security support. No states and territories allocated any Indigenous-specific funding under social security support, as income support is seen as the responsibility of the federal government. Clearer demarcation in responsibilities for other categories of expenditure could help to resolve some of the overlap in program and service delivery between the federal and state and territory governments.
Number of state and territory Indigenous programs

The desktop review identified a total of 236 state- and territory-administered programs. While some of these programs may receive federal funding, they are developed and implemented by the state and territory governments. Just over 40% (n=98) of these programs were health and wellbeing programs, with the next highest category being crime related programs (n=46). This finding is in contrast to the allocation of funding under the COAG National Indigenous Reform Agreement categories discussed above, but mirrors the findings of the desktop review for federal government programs, where the largest category of programs were also health and wellbeing programs.

The discrepancy between the number of programs identified in the desktop review and the amount of funding under each category points to there being a large number of health and wellbeing programs with low levels of funding. As discussed previously, this is likely to place a large administrative burden on the government departments managing the programs, for very little potential benefit. More detailed analysis of the nature of the health and wellbeing programs will be undertaken in a subsequent report.

In summary, analysis of the state government expenditure on Indigenous programs is less detailed than the federal government section because detailed data on Indigenous programs and grant recipients is either not easily accessible or not publicly available. To improve accountability and transparency of Indigenous funding, all state and territory government departments should provide detailed information on Indigenous expenditure and specific program costs; including the distribution of any government grants to NGOs to deliver state and territory programs and the cost of administering the programs. The standard of information contained in the Western Australian review of Indigenous expenditure in Roebourne and surrounding communities would be immensely useful at a state-wide level.

Of the 8,577 charities providing services and support to Aboriginal and Torres Strait Islander people, the sector providing the most support was education and research, followed by religion, then development and housing (see Figure 19: Charities providing services and support to Aboriginal and Torres Strait Islander people by sector). These figures reflect the concern with Indigenous education outcomes in the not-for-profit sector, and the involvement of large NGOs with religious affiliations in delivering Indigenous programs and services; for example: Wesley Mission, Mission Australia and St Vincent de Paul. Other sectors providing support reflect the Indigenous population’s need for better housing, health and social services. The only sector that seems unusual in relation to Australian Aboriginals is the International sector — but this comprised only 0.3% of the charities registered.

Data from the Australian Charities and Not-for-Profit Commission suggests there are 738 Indigenous-specific charities. These charities received $1.2 billion in yearly government grants (a much higher percentage of their annual income than other charities), $62 million from donations and bequests, and $162 million in other income. Of the 43,153 registered charities in Australia, 8,577 charities/not-for-profits provided services to Aboriginal and Torres Strait Islander people. The combined annual income of these 8,577 charities is $50.9 billion, of which approximately 40% came from government grants. However, this includes some very large not-for-profits, such as universities. Due to the nature of the reporting requirements, it is not possible to determine how much of the non-Indigenous charities’ and not-for-profits’ income or expenses is allocated to supporting Aboriginal people. However, it is likely to be in excess of hundreds of millions of dollars.

Non-government programs

Non-government programs


As discussed above, the majority of NGOs receive government funding to deliver Indigenous programs. However, there are a few organisations, such as Gambina, who rely solely on philanthropic and corporate funding and do not seek any funding from the government. In 2014, businesses and organisations with Reconciliation Action Plans spent $54.7 million on Indigenous education scholarships alone.

In addition to the Indigenous-specific charities listed with the Australian Charities and Not-for-Profit Commission, there are a number of Aboriginal not-for-profits listed with the Office for the Registrar of Indigenous Corporations (ORIC) — these include Aboriginal Community Controlled Health Organisations and Social Enterprises. The Australian Charities and Not-for-Profit Commission has a Memorandum of Understanding with ORIC, which means that these Aboriginal charities are not required to submit an Annual Information Statement to the ACNC despite being registered with them for tax concessions. Further complication arises from the IAS funding requirement that all organisations receiving grant funding of $500,000 (GST exclusive) in any single financial year must be incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 instead of state and territory Incorporation Association Acts like Northern Territory Associations Act 2003. Although this is a welcome requirement, having separate agencies overseeing Aboriginal organisations makes it harder to track which organisations have filed their annual reports.

The high number of health and wellbeing programs across all levels of government and the NGO sector suggests a need for more in-depth analysis of the range and types of health programs (and potential areas of duplication). For example, the existence of a large number of health programs by itself does not indicate duplication, as they may be local health programs to serve a particular community need, or targeted programs aimed at a particular niche group. Further analysis of the types of NGO programs will be undertaken in a subsequent report.

Assessing the programs

Of the 1082 programs identified in this review, only 88 (8%) have been (or are in the process of being) evaluated. It is hard to judge a program by its results, or even know what measures will work, when program outcomes are not being collected. Multiple issues with the methodologies used in the evaluations were also identified, including: limited information on performance data to measure the effectiveness of programs; difficulties in attributing outcomes to programs because of a lack of comparative data; and over-reliance on anecdotal evidence. There have been attempts to assess the effectiveness and efficiency of Indigenous programs through the use of Cost Benefit Analysis (CBAs) and Social Return on Investment (SROIs). However, only one CBA actually provided measurable objectives and many of the SROIs of Indigenous programs did not consider potential equity or distributional issues, or provide explanations about the discount rate and key assumptions used. A full review of the 88 Indigenous program evaluations (including the CBAs and SROIs) will be undertaken in a subsequent report. What evidence exists on the outcomes of Indigenous programs suggests many programs are poorly designed and implemented — without a proper needs assessment or any overarching program design or strategy — and as a result there is substantial overlap and inefficiency. Indigenous-specific funding is being wasted on programs that do not achieve results because they are not subject to rigorous evaluation.

Recommendation:

• All programs receiving taxpayer funding should be subject to independent evaluations. At the same time, governments and organisations should cease collecting data that does not make a valuable contribution towards improving the level of knowledge about the effectiveness of programs.

†† A non-government organisation (NGO) is any non-profit or charitable service which is organised on a local, national or international level. Reference to ‘NGO programs’ refers to programs either developed and delivered by an NGO or delivered by an NGO.

††† Evaluation here refers to program evaluations conducted during or after the implementation of a specific program. It does not refer to prior evidence which may exist from evaluations of similar programs.
Poor design

A review of Aboriginal economic and employment programs in NSW found many of the programs were designed to deliver only short-term interventions or to achieve certain isolated outcomes. Examples included programs providing apprenticeships or employment opportunities. In many cases, once positions had been created, no further assistance or follow-up support was provided to either ensure apprentices complete their qualifications and secured employment, or that newly hired employees remained in their jobs for a certain period of time. Overall, the review found the development of the Aboriginal economic development and employment programs across NSW appeared to be "opportunistic and un-coordinated." There was no clear or consistent overarching strategic framework that linked individual initiatives to the needs of Aboriginal people; and as a result there were gaps in service delivery as well as overlaps and duplication in service provision in other areas.

The importance of undertaking a proper needs assessment and developing overarching strategies before implementing programs was also highlighted in a recent evaluation of the NSW Connected Communities program — a program for disadvantaged schools in NSW, many of which have large Aboriginal populations. The NSW Government spent $60 million under the Connected Communities program to try and improve the education outcomes of students from 15 of the most disadvantaged schools and communities in NSW. However, the evaluation found there had been little to no improvement in attendance rates, student behaviour and NAPLAN results in these 15 communities. In addition, some of the senior government officials involved in implementing the program were found to be unsure of their roles and various aspects of the Connected Communities program.

There are many similar examples of bureaucratic shortcomings in designing and implementing Indigenous programs. Another example is the Indigenous Home Ownership program. An audit of the program by the Australian National Audit Office (ANAO) in December 2015 found the program was not meeting its objectives in providing a timely and efficient home loan service for disadvantaged Indigenous Australians. Most of the loans were also administered to people who could have qualified for a mainstream loan. Consequently the ANAO concluded that: "a government run loan program is not the most efficient mechanism to support Indigenous home ownership outcomes." In their response to the report, IBA agreed with most of the recommendations made by the ANAO, except for the question about whether a government agency is best suited to deliver the program. In another Indigenous Business Australia (IBA) loan program for businesses only 75 loans were approved in 2013-2014 — approximately one loan for every person employed to run the program. Such inefficient top-down government controlled measures only tend to further disempower Aboriginal people.

Programs are unlikely to meet the Indigenous community’s needs without sufficient involvement of Aboriginal people in the program design and delivery.

Recommendations:

• Existing evidence on the effectiveness of programs and interventions should be used to inform the design and implementation of any new programs.

• Aboriginal people and communities should be involved in the design, implementation and delivery of programs wherever possible (see box on Empowered Communities for an example of a possible approach to take).

Box 6: Empowered Communities

The need for greater involvement by Indigenous people in the design and implementation of programs and allocation of funding for services, underpins the proposals in the Empowered Communities Design Report, published in 2015. The report argues that as long as Indigenous communities are dependent on government “…to pick their favoured programs… and determine resource allocations” there will not be the broad scale change needed to improve Indigenous outcomes. The Empowered Communities network consists of eight Indigenous groups across Australia: North East Arnhem Land; Inner Sydney; the Central Coast of New South Wales; the Murray Goulburn region of Victoria; the Cape York Peninsula; East Kimberley; West Kimberley; and the Ngapanyijarra Piñana tjara Yankunya tjatjara Lands in the Central Desert region. The network and the subsequent report were supported by a $5 million grant from the Department of the Prime Minister and Cabinet.

In their report, the Empowered Communities network identify five systemic problems in Indigenous affairs, many of which have been covered in this report. Namely:

• Expenditure growth without outcomes
• A supply-driven approach
• Industries of dependence
• Red tape and a plethora of disconnected programs
• No transparency of funding flow

The Empowered Communities network argues that among the reforms needed to address these problems are:

• greater transparency over all regional and local spending; pooled funding to support place-based development agendas, linking incentives to results; and an Indigenous Policy Productivity Council (IPPC) to scrutinise policy and programs that impact on Indigenous Australians.

The Empowered Communities pooled funding proposal involves providing pooled funding on a regional basis to reduce the silos and inflexibility involved in having funds tied to specific programs and agencies. The allocation of pooled funds would be subject to negotiation between governments and Indigenous leaders, while a system of performance-based funding is expected to incentivise reform. The IPPC would be a statutory body based on the existing Empowered Communities network, with responsibility for negotiating regional investment decisions based on proposals and strategies submitted by Indigenous people from each of the eight regions.

Over time, the report suggests the IPPC could merge into a national mechanism for Indigenous governance — similar perhaps to the former Aboriginal and Torres Strait Islander Commission — but exactly how the IPPC will work is not clear.

Research on Indigenous health by the Centre for Independent Studies in 2009 found a lack of strategic planning had led to an uncoordinated maze of health programs. Many of the Indigenous programs have evolved over time in response to a perceived need, and as a result they often duplicated existing programs. Since there was no overall coordination, nor a requirement for an evidence-base for funding, programs were delivered simply because funding could be secured from one or another of the federal or state programs. In some cases, there was no consultation with the communities concerned or recognition of their needs before a program was implemented. For example, a remote community in East Arnhem Land was provided with suicide prevention training even though the community had no experience of suicide. Not only was the community not consulted about the need for suicide training, some of the young men had already been flown to a regional suicide prevention training session in another community at considerable cost two years previously.

Recommendations:

• All funding for Indigenous programs must be allocated on the basis of need, not just Indigeneity.

• A needs assessment must be undertaken before designing and implementing any new programs.

No assessment of need

While some communities are provided with programs or services they do not need, others are missing out on essential programs and services. For example, in Western Australia there is a desperate need for suicide prevention initiatives, but $17.8 million in funds earmarked for Indigenous suicide prevention programs has not been used. A recent review of West Australian health programs found the way resources were allocated across different health programs did not match levels of need. For example, nutrition education and food security, as well as alcohol education and rehabilitation programs, were found to be grossly underfunded. Similarly, in the Northern Territory, money allocated for remote communities has instead been spent in Darwin. According to the grants commission formula of assessed need, 68% of the $3.4 billion in GST revenue given to the Northern Territory should have been spent in remote areas, but only 27% was — a difference that amounted to $500 million in funding.
The National Commission of Audit’s review of Indigenous programs in 2014 found that the shared responsibility between the Commonwealth and the States under National Partnership Agreements had led to confusion and abrogation of responsibilities, including cost shifting and other difficulties.\textsuperscript{112} While states are primarily responsible for education, housing, community safety programs and services, the Commonwealth government also provided programs, resulting in multiple programs from both levels of government.

For example, Roebourne in Western Australia with a population of 1,150 was found to have 67 local service providers and over 400 programs funded by both the federal and state governments.\textsuperscript{113} Such examples not only resulted in duplication, and unnecessary complexity, but also meant there was very little transparency and accountability of Indigenous program delivery.\textsuperscript{114} The situation in Roebourne led to the Western Australian community for $3 million worth of work that was never carried out.\textsuperscript{115}

\textbf{Recommendations:}

- To improve accountability and transparency of taxpayer funding, information on funding of Indigenous programs needs to be made publicly available, particularly at the state level and in the not-for-profit sector.
- Indigenous programs must be linked to outcomes. All program activities must be measured against agreed performance standards and all organisations must:
  - formally account for how the money has been spent;
  - provide evidence of the program’s impact; and
  - assess and report on whether the program is meeting its intended objectives.
- Funding agreements must be flexible enough to allow money to be redirected from unsuccessful programs and activities to programs and initiatives achieving results.
- State and federal duplication in the provision and delivery of Indigenous programs must end.

\textbf{Overlap and waste}

In conclusion, spending more money on programs to combat Indigenous disadvantage will not lead to improved outcomes, as long as programs continue to be implemented without any evidence of their effectiveness. As this report has shown, there are multiple sources of funding for Indigenous-specific programs. Total spending on Indigenous programs is estimated to be at least $5.9 billion a year, comprised of:

- federal government expenditure of $3.28 billion;
- State and territory government expenditure of $2.35 billion; and
- Indigenous not-for-profit sector ‘own source’ income of $224 million.

However, the figures for the not-for-profit sector do not include income from non-Indigenous charities, and the total spend by the not-for-profit sector on Indigenous programs is likely to be in the order of hundreds of millions — if not billions — of dollars.

The difficulty experienced in trying to track the maze of Indigenous funding and expenditure demonstrates why the government is unable to accurately account for what has happened to that funding.

Information on funding of Indigenous programs, particularly at the state level and in the not-for-profit sector needs to be made publicly available.

Without more accountability and transparency, it is impossible to know whether the lack of progress in improving Indigenous outcomes is because there is not enough money relative to need, or whether the funding for Indigenous programs and services is being wasted.

While Indigenous Advancement Strategy (IAS) funding is broadly aligned with the Indigenous population and need, with 54% of funding dedicated to remote and very remote regions, there is very little strategy or coordination involved in the design and implementation of programs.

Mapping of total federal, state and territory and non-government/not-for-profit Indigenous programs, identified 1082 current Indigenous-specific programs:

- 49 federal government programs;
- 236 state and territory programs; and
- 797 programs delivered by non-government organisations (though many are funded in part or full by government).

The failure of so many government and NGO programs can be attributed to the sheer number of service providers — including government agencies, Indigenous organisations, not-for-profit NGOs and for-profit contractors — operating in the sector, all with competing aims and objectives.

Not surprisingly, duplication and waste are rife; as evident by the example of Roebourne in Western Australia.
which had a population of 1,150 but has 67 local service providers delivering more than 400 programs.

To reduce the administrative burden in managing Indigenous programs, the government should consider ending state and federal duplication in the provision and delivery of Indigenous programs. Although addressing high levels of Indigenous disadvantage has been identified as a national priority, there needs to be stricter demarcation of responsibilities between the federal and state and territory governments. For example, state governments should be fully accountable for state government responsibilities such as health and education outcomes, while federal governments are responsible for federal responsibilities such as income support.

The fact that only 88 of the 1082 Indigenous-specific programs identified in this review have been evaluated is a damning indictment of the administration of Indigenous programs and funding. Programs should not continue to be funded without evidence of any outcomes. At the same time, government and organisations should cease collecting data that does not make a valuable contribution towards improving the level of knowledge about the effectiveness of programs.

To achieve community-buy in and better results, Aboriginal people and communities should be involved in the design, implementation and delivery of programs wherever possible. However, funding must be delivered on the basis of need and not just on the basis of Indigenousity.

If Indigenous people are ever to benefit from the considerable public and private investment into Indigenous affairs, the government has to cease funding and delivering programs without any evidence of their efficacy and without any consultation with Indigenous communities.

The Indigenous HealthInfoNet lists more than 2468* Indigenous programs involved a desktop review of government websites, major philanthropic and NGO websites, and analysis of IAS funding recipients and programs listed on the Australian Indigenous HealthInfoNet. The Australian Indigenous HealthInfoNet is a website that aims to make research and other knowledge about Indigenous health readily available.116 Although the focus is health related research, a broad range of programs and projects are listed on the website. It was difficult to ascertain precisely the total number of Indigenous programs due to the multiple service providers involved and the complexity of the funding agreements — making it hard at times to determine whether a program was a federal, state, or NGO program.

The holistic nature of many Indigenous programs also made it difficult to categorise some of the programs, as many could fall into more than one category; for example: healing camps could be categorised as both a health program and a cultural program.

In collating the number of programs, it was also difficult at times to differentiate between programs, services and projects. In many cases, the terms ‘program’ and ‘project’ were used interchangeably. However, for the purposes of this report, research projects (such as controlled triials) and one-off projects such as creating an art installation were excluded from the analysis. Some of the states’ and territories’ provision of services to Indigenous people is delivered as sub-components of broader mainstream programs and are therefore not included in the program count.117

The Indigenous HealthInfoNet lists more than 2468* different Indigenous programs. However, this figure includes 444 mainstream programs with Indigenous-specific content that were not analysed, as the focus of this research was Indigenous-specific programs only. Overall, 2024 Indigenous programs from the Indigenous HealthInfoNet were assessed to see whether they were still current and whether they had been evaluated — of these, 1060 were found to be still current. An additional 22 programs were discovered during the review of government and NGO websites and from the IAS funding data. The fact that this report only includes programs where information about the program is publicly available is a limitation, and it may be that the number of programs identified in this report is just the tip of the iceberg.

Methodology for determining remoteness and areas of disadvantage

The allocation of grant recipients by remoteness was based on the author’s own calculations using the Australian Statistical Geography Standard (ASGS) Remoteness Areas Classification 2011. It is important to note that this method of allocating a Statistical Local Area (SLA) to a rural or remote zone is not perfect. Places such as Alice Springs and the area around Darwin, for example, are classified as remote.

The top five most disadvantaged postcodes and SLAs came from the 2015 ‘Dropping off the Edge report’ that uses a range of different indicators to determine levels of disadvantage.118 Information on disadvantage in the report is at the postcode level for three states (NSW, Victoria and ACT) and at the SLA level for all the other states and territories, with the exception of Tasmania, where the Local Government Area (LGA) is used instead.118

Methodology for calculating charity spend

The methodology used for calculating the charity spend was based on data available from the Australian Charities and Not-for-profits Commission (ACNC) website http://www.australiancharities.acnc.gov.au. The website has an Explorer tool that enables the data to be filtered and sorted by sector and beneficiary group to determine the number of charities providing support to the Aboriginal and Torres Strait Islander population. The website also provides a link to the Australian Charities and Not-for-profits Commission 2014 Annual Information Statement dataset. This data was sorted to identify the number of charities providing support to Aboriginal and Torres Strait Islander people. Each of these 9000 or so charities were then coded depending on whether or not they were an Indigenous organisation, with that categorisation determined by the purpose of the charity, and its name.

---

* The number of programs on the website is regularly updated — this is the number on the website at the time the research was conducted.
Appendix B: List of current programs that have been evaluated

<table>
<thead>
<tr>
<th>Name of program</th>
<th>Provider of program</th>
<th>Link to evaluation report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboriginal mental health worker program ‘working both ways’</td>
<td>Beyond Blue</td>
<td>Aboriginal mental health worker program: final evaluation report.</td>
</tr>
<tr>
<td>Deadly thinking workshops</td>
<td>Beyond Blue</td>
<td><a href="http://www.healthinfonet.ecu.edu.au/key-resources/bibliography/?id=25626">http://www.healthinfonet.ecu.edu.au/key-resources/bibliography/?id=25626</a></td>
</tr>
<tr>
<td>Indigenous and Torres Strait Islander cannabis interventions (NCPCI) – stage 4</td>
<td>Central Australian Aboriginal Alcohol Programmes Unit</td>
<td>Miller K, Rowe T (1995) CAAPAU: an evaluation. Darwin: Menzies School of Health Research - no online access to report.</td>
</tr>
<tr>
<td>National empowerment project</td>
<td>Funded by the Commonwealth Department of Health and Ageing</td>
<td><a href="http://media.wix.com/udg/396d5_51da3e704c844d8b17bd48fdd116edf.pdf">http://media.wix.com/udg/396d5_51da3e704c844d8b17bd48fdd116edf.pdf</a></td>
</tr>
</tbody>
</table>


The Djirrweung program | Charles Sturt University | http://www6.health.gov.au/internet/main/publishing.nsf/content/404ref.htm but link broken |
| Alive and kicking goals! Suicide prevention project | AGK and Men’s Outreach Services | http://www.tandfonline.com/doi/pdf/10.1080/18387357.2011.1123514 |
| Deadly ears, the Queensland state-wide Aboriginal and Torres Strait Islander ear health program | Queensland Health and Service and Queensland Department of Health | https://www.health.qld.gov.au/deadly_ears/docs/final-eval-report.pdf |
| My heart my family our culture | Heart Foundation of Western Australia | http://trove.nla.gov.au/website/result?q=My+heart+m y+family+our+culture&final+report+2010&x=0&y=0 and http://www.healthinfonet.ecu.edu.au/key-resources/programs-projects?pid=754 |
| Nyoolgar outreach service | Nyoolgar Outreach Services | Yes, but couldn’t find on internet http://www.healthinfonet.ecu.edu.au/key-resources/programs-projects?pid=713 |
Mapping the Indigenous program and funding maze

### Activities Program
- **FVRAP**
- **Activities Program**
- **Department of Health**
- **Petrol sniffing strategy**
- **Department of Health and Ageing**
- **Bulgarr Ngaru Medical Aboriginal Corporation**
- **Growing strong: feeding you and your baby**
- **Queensland Health**
- **Strong fathers strong families**
- **Carbal Medical Centre**
- **Yuendumu mediation and justice committee**
- **Yuendumu mediation and justice committee**

### Endnotes

10. As above
12. As above


70 As above


73 Hughes, H, Hughes, M and Hudson, 2010 Private Housing on Indigenous Land, as above

74 As above


78 As above


81 As above


83 Featherstone, T, 2016. ‘The Power of Knowledge’ Company Director, pages 18-19


85 Email correspondence with the Australian Charities and Not-for-profit Commission dated 30 June 2016


88 As above


91 As above


93 As above


96 As above


98 As above


100 Johns, G, 2016 First cuts should be to indigenous loan schemes The Australian (9 February 2016)

101 Empowered Communities Design Report, as above, page 1

102 Empowered Communities Design Report, as above


104 As above


106 As above


109 As above


111 National Commission of Audit, 2014, Indigenous programmes, as above

112 As above

113 National Commission of Audit, 2014, Indigenous programmes, as above


120 As above


122 As above

123 As above

124 As above

125 As above

126 As above

127 As above

128 As above

129 As above
About the Author

Sara Hudson

Sara is a Research Fellow and Manager of the Indigenous Program at the Centre for Independent Studies. She has published widely on Indigenous policy for the CIS, with a particular focus on Indigenous economic development, health and criminal justice. She is the author of a chapter in a book 'In Black & White: Australians All at the Crossroads', and research papers on: Indigenous property rights, Justice Reinvestment, alcohol restrictions in Indigenous communities, Indigenous health and the Community Development Employment Program (CDEP) among others.

The impact of Sara’s work has been publicly recognised by policy makers, commentators and Indigenous leaders and Sara has been invited to visit Indigenous communities to discuss her research and to present at conferences. Her work has also been cited in a number of government reports and peer-reviewed journals.

Prior to working at the CIS, Sara worked as a senior consultant with a professional social research consultancy firm and as a policy advisor and evaluator for the New Zealand government. She has a Bachelor of Arts with first-class honours in criminology and anthropology from Victoria University, Wellington, New Zealand.