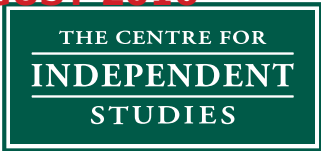




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RESEARCH REPORT SNAPSHOT



Mapping the Indigenous program and funding maze

Sara Hudson

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.

This report identifies 1082 different Indigenous specific programs delivered by multiple providers including government agencies, Indigenous organisations, not-for-profit NGOs and for-profit contractors, the vast majority (92%) of which have never been evaluated to see if they are achieving their objectives.

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 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.

As a result, despite increasing resources being directed towards Indigenous Australians, there has been very little improvement in outcomes, and the gaps between Indigenous and non-Indigenous Australians have not narrowed.

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 (covering those programs, services and payments explicitly targeted at Aboriginal and Torres Strait Islanders) is a much smaller component, 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
- Indigenous not-for-profit sector own source income of \$224 million.

Table 1: Federal and State government expenditure by jurisdiction (millions)

STATE	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	TOTAL
FEDERAL	\$629	\$226	\$690	\$517	\$234	\$54	\$97	\$835	\$3,282
STATE	\$458	\$189	\$501	\$422	\$206	\$16	\$20	\$539	\$2,351
TOTAL	\$1,087	\$415	\$1,191	\$939	\$440	\$70	\$117	\$1,374	\$5,633

Source: Steering Committee for the Review of Government Service Provision (SCRGSP), 2014. 2014 Indigenous Expenditure Report. Canberra available at <http://www.pc.gov.au/research/ongoing/indigenous-expenditure-report/indigenous-expenditure-report-2014/indigenous-expenditure-report-2014.pdf> Tables P.8 and P.2

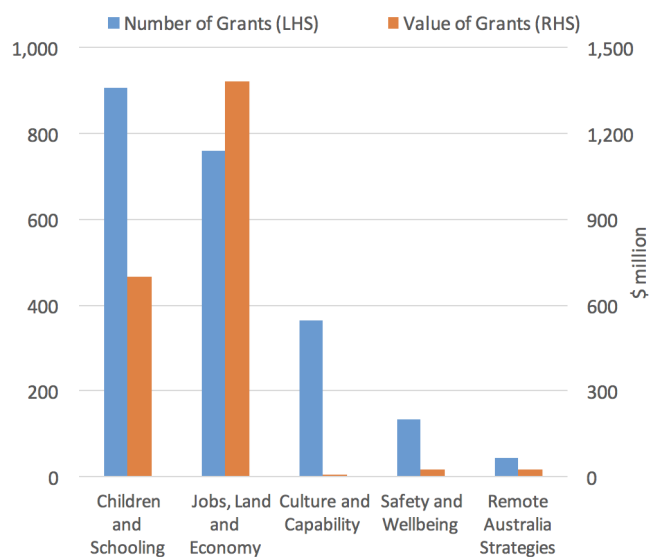
Federal government spending

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;

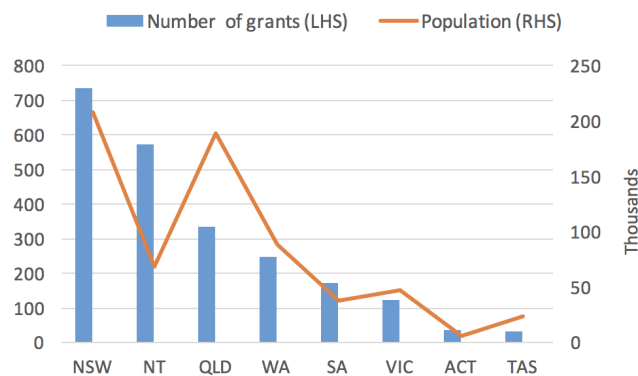
Other grant funding is also available through Indigenous-specific and mainstream programs delivered by other agencies, as well as Indigenous Portfolio bodies, such as Indigenous Business Australia.

Figure 1: Distribution of IAS funding by program stream and value



Source: "IA-2016-03-16T15-22-27" IAS funding recipients for 2014-2015 from Department of the Prime Minister and Cabinet website available at <https://www.dpmc.gov.au/indigenous-affairs/grants-and-funding/ias-grant-reporting> accessed 16 March 2016

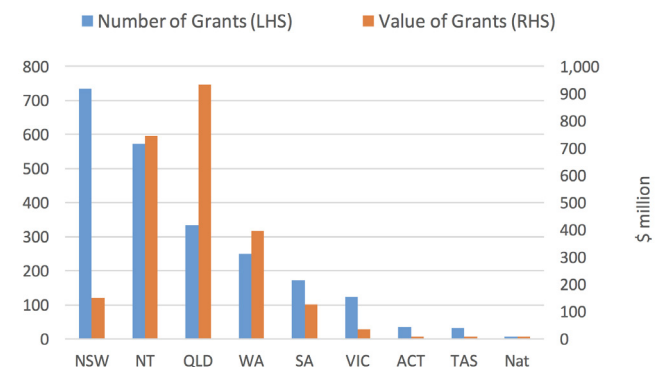
Figure 2: Number of grants and population for each state and territory



Source: "IA-2016-03-16T15-22-27" IAS funding recipients for 2014-2015 from Department of the Prime Minister and Cabinet website available at <https://www.dpmc.gov.au/indigenous-affairs/grants-and-funding/ias-grant-reporting> accessed 16 March 2016 and ABS data <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3238.0.55.00>

The distribution of grants across the different states and territories 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. However, the value of grants does 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 3: Number and value of IAS grants by jurisdiction



Source: "IA-2016-03-16T15-22-27" IAS funding recipients for 2014-2015 from Department of the Prime Minister and Cabinet website available at <https://www.dpmc.gov.au/indigenous-affairs/grants-and-funding/ias-grant-reporting> accessed 16 March 2016

State and territory government spending

The desktop* review found that the majority of state and territory programs were health and wellbeing programs, followed by crime programs.

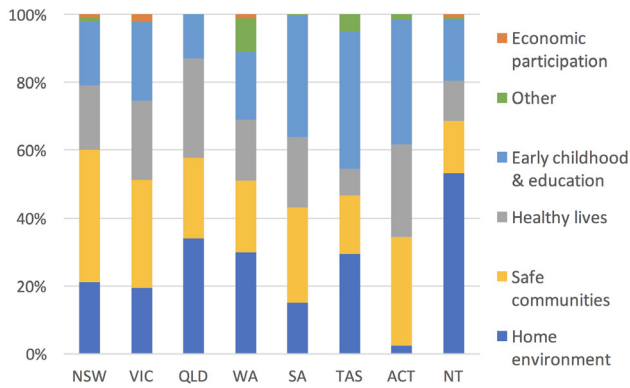
However, the category with the highest percentage of Indigenous-specific expenditure was home environment (\$752 million), followed by safe and supportive communities (598 million) and then healthy lives (467 million).

Unlike the distribution of funding under the IAS, very little state and territory funding was spent on programs and services to increase Indigenous people's economic participation (\$17 million), with ACT, SA, TAS and QLD allocating none.

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. This is likely to place a large administrative burden on the government departments managing the programs, for very little potential benefit.

* A review of publicly available information on the internet.

Figure 4: Direct state and territory Indigenous specific expenditure by category



Source: Steering Committee for the Review of Government Service Provision (SCRGSP), 2014. 2014 Indigenous Expenditure Report. Canberra available at <http://www.pc.gov.au/research/ongoing/indigenous-expenditure-report/indigenous-expenditure-report-2014/indigenous-expenditure-report-2014.pdf> data from Table P.2

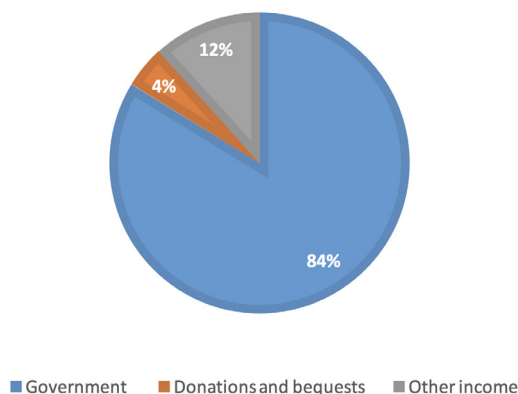
Non-government spending

Of the 43,153 registered charities in Australia, 8,577 charities/not-for-profits provided services to Aboriginal and Torres Strait Islanders. 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. 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.

Data from the Australian Charities and Not-for-Profit Commission suggests there are 738 Indigenous specific charities. These charities received \$1.2 billion dollars 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.

Figure 5: Percentage of income of Indigenous charities/not-for-profits



Source: Australian Charities and Not-for-profit Commission 2014 Annual Information Statement dataset available at <http://data.gov.au/dataset/acnc2014ais>

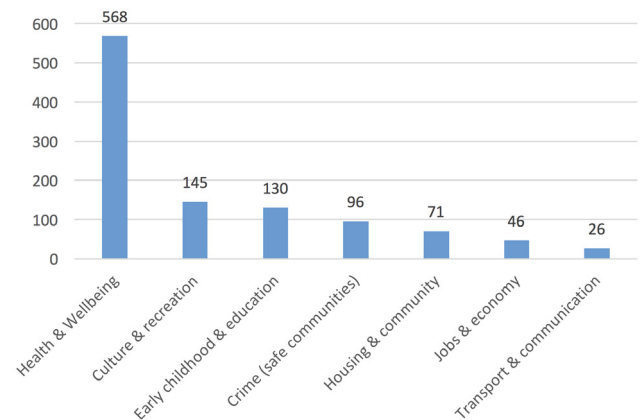
Our review

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, and of those programs that were evaluated, few used methods that actually provided evidence of the program's effectiveness.

Figure 6: Number of overall programs by category

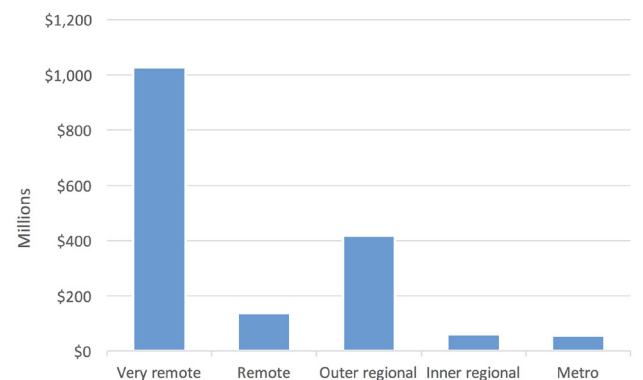


Source: Government websites, major philanthropic and NGO websites, and analysis of IAS funding recipients and programs listed on the Australian Indigenous HealthInfoNet.

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.

However, analysis of IAS funding recipients shows that funding is broadly aligned with the Aboriginal and Torres Strait Islander population and areas of greatest need — with 54% of funding dedicated to remote and very remote regions.

Figure 7: Value of IAS grants by remoteness*



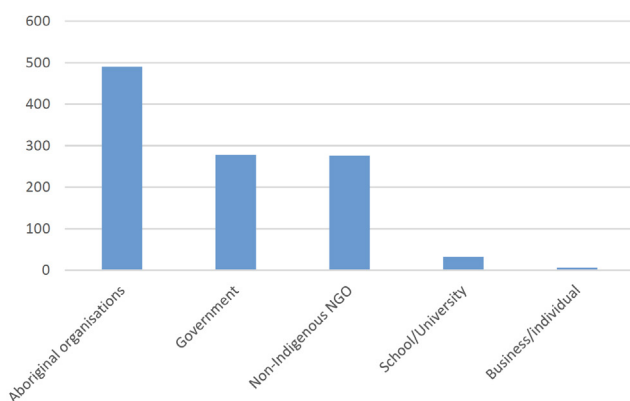
Source: "IA-2016-03-16T15-22-27" IAS funding recipients for 2014-2015 from Department of the Prime Minister and Cabinet website available at <https://www.dpmpc.gov.au/indigenous-affairs/grants-and-funding/ias-grant-reporting> accessed 16 March 2016.

Another criticism is that large numbers of non-Indigenous organisations receive funding, while many Aboriginal organisations have had their funding reduced or missed out on funding entirely.

However, while some of the criticism levelled at the federal government for distributing only a little over 30 per cent of the IAS funding to Aboriginal organisations may be justified, some of the non-Indigenous organisations who received funding may have been the most suitable recipients (like schools and universities) to deliver the program or service.

Furthermore, when educational institutions and private businesses are separated out from other non-Indigenous organisations, the total value of grants to Indigenous organisations was more than double the total value of grants to the non-government/not for profit sector (\$524 million compared with \$202 million).

Figure 8: Type and number of program providers



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

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?

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.

Many Indigenous programs are also poorly designed and inefficient. For example, a recent audit found the Indigenous Home Ownership program approved only 75 loans in a year — approximately one loan for every person employed to run the program.

Author

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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:

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

Recommendations

- 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.
- 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
- 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.
- 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.