Indigenous Provisions in the 2015-16 Budget

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June 2015
Note

This analysis looks at the Indigenous provisions in the 2015-16 federal Budget. This is done in the light of current and past strategies, policies, programs and funding, and is supported, where this is possible, by data and information drawn from government agencies, reports and published papers.

Similar analyses from previous budgets are available on the University of Sydney e-scholarship website.\(^1\)

The opinions expressed are solely those of the author who takes responsibility for them and for any inadvertent errors. This work does not represent the official views of the Menzies Centre for Health Policy.

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Introduction

The 2015-16 Budget from the Abbott Government has no major announcements on Indigenous issues, and they did not rate a mention in the Treasurer’s budget night speech.

However the Budget is far from benign in its support for Indigenous programs and advocacy groups say it has failed to undo the damage done and anxiety caused by funding cuts in last year’s Budget. Many programs and services must continue to operate with uncertain funding into the future and in the absence of clear strategies and policies from the Abbott Government.

This comes on top of the threat of remote community closures in Western Australia, attempts to weaken protection from racial vilification under the Racial Discrimination Act, and concerns about the implementation of and outcomes from the Indigenous Advancement Strategy (IAS) tendering process. Indigenous organisations are losing out in the competition for funds to deliver Indigenous programs and services and after last year’s Budget cuts, there is no new funding for key representative groups such as the National Congress of Australia’s First Peoples.

Despite the need and the promises, Commonwealth funding for Indigenous Affairs as a percentage of both total outlays and GDP is in decline. And it is disconcerting to see Indigenous voices and input into decision-making being side-lined. Indigenous groups and spokespeople have called the government on the absence of real engagement and consultation – something which has long been recognised as the key to failure or success in Indigenous affairs.

In March 2015 the Minister for Indigenous Affairs, Nigel Scullion, took delivery of ‘The Empowered Communities Report’, produced of a group of Indigenous leaders from across Australia brought together by the Jawun Indigenous Partnerships Corporation. The report outlined ways for Indigenous communities and governments to work together to set priorities and streamline services at a regional level, in line with the Government’s approach. The Minister committed that the Government would consider carefully the report’s recommendations and respond ‘in due course’. That has yet to happen.

What emerges most strikingly from this year’s Budget analysis is that little has been done over the past twelve months to assess the implications of commissioned reports and reviews, to capitalise on the restructure and realignment of Indigenous programs, to develop promised new policies and to roll them out. All that has been done to date is to shift responsibility for programs to the Department of Prime Minister and Cabinet and to rebrand programs that may or may not be effective. It’s a policy-free zone, where ad hoc decisions are the norm and budgets continue to be constrained in ways that limit the effectiveness and reach of programs and services.

There are a number of examples where program funding has been provided at the expense of other needed programs - taking $11.5 million from Indigenous Safety and Wellbeing programs to reverse funding cuts to the Indigenous Legal Assistance Program is perhaps the most egregious example.

There are also concerns that proposed changes to mainstream programs such as increased co-payments and safety net threshold in health, reduced Commonwealth funding for public hospitals, increased costs for higher education, and changes to the collection of census data will have a disproportionate impact on Indigenous Australians.

Small wonder then that most Closing the Gap targets remain out of reach and the sector is struggling to keep programs functioning and retain staff.

The inequality gap between Indigenous peoples and other Australians remains wide and has not been progressively reduced. With a significant proportion of Indigenous Australians in younger age groups, and without funded commitments to actions now and into the next several decades to improve their socio-economic status, future demands for services will burgeon.

As Tom Calma, in his role as Aboriginal and Torres Strait Islander Social Justice Commissioner and Race Discrimination Commissioner, pointedly stated in 2008: “It is not credible to suggest that one of the wealthiest nations in the world cannot solve a health crisis affecting less than 3 per cent of its citizens. Research suggests that addressing Aboriginal and Torres Strait Islander health inequality will involve no more than a 1 per cent per annum increase in total health expenditure in Australia over the next ten years. If this funding is committed, then the expenditure required is then likely to decline thereafter.”

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Expenditures on Indigenous Affairs

There is little information within the Budget Papers about total spending on Indigenous Affairs. For example, in Budget Paper 1, Table 3 which breaks out government expenses by function, does not include Indigenous Affairs and Table 10, which breaks out expenses in housing and community amenities, does not specify expenses for Indigenous housing.

Neither is it easy to determine the full extent of budget cuts and new spending. The National Congress of Australia’s First Peoples states that more than $145 million is cut from Indigenous programs and services in 2015-16, including $46 million from Indigenous health.⁴

The Minister for Indigenous Affairs claims that the 2015-16 Budget has $4.9 billion for the Government’s Indigenous Advancement Strategy.⁵ It’s hard to see where that sum comes from.

The Portfolio Budget Statement for PM&C for Outcome 2 (Indigenous) shows total expenses for 2015-16 of $1.751 billion, of which $279.0 million is for program support. The Portfolio Budget Statement for DoH for Outcome 5.3 (Aboriginal and Torres Strait Islander Health) indicates total program expenses of $777.4 million, of which $47.8 million is for program support. There is $767.7 spent through National Partnership (NP) Agreements but some of these funds are included in the PM&C and DoH costs. There is around $2 billion unaccounted for: it just isn’t possible to make the various tables add up.

Indigenous health spending is broken out as part of health expenses (see Table 1).

### Table 1: Spending on specific Indigenous health programs

<table>
<thead>
<tr>
<th></th>
<th>Estimates 2014-15 $m</th>
<th>Estimates 2015-16 $m</th>
<th>Estimates 2016-17 $m</th>
<th>Projections 2017-18 $m</th>
<th>Projections 2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total health</td>
<td>67037</td>
<td>69381</td>
<td>71634</td>
<td>74076</td>
<td>76987</td>
</tr>
<tr>
<td>ATSI health</td>
<td>740</td>
<td>745</td>
<td>809</td>
<td>893</td>
<td>931</td>
</tr>
<tr>
<td>(as percentage of total health spend)</td>
<td>1.10%</td>
<td>1.07%</td>
<td>1.13%</td>
<td>1.21%</td>
<td>1.21%</td>
</tr>
</tbody>
</table>

From 2015-16 Budget Paper No 1. Table 8

This funding ($745 million in 2015-16)⁶ includes that provided for health programs through the NP on Indigenous health ($12.9 million) and presumably includes what is spent by the Chronic Disease Flexible Fund and funding provided for ACHHOs.

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⁶ This doesn’t quite equate to the spending on Indigenous health in the DOH PBS which is given as $777 million.
The Budget Papers state that “expenses in the Aboriginal and Torres Strait Islander health sub-function are expected to decrease by 2.1% in real terms from 2014-15 to 2015-16 as a consequence of cessation of the National Partnership Agreements. Expenses are expected to increase by 16.5% in real terms over the period 2015-16 to 2018-19.”

This is at variance with the March 2015 statement from the Minister for Indigenous Affairs, Nigel Scullion, that: “Overall this Government is investing $3.1 billion over the next four financial years on Indigenous health, an increase of over $500 million when compared with the previous four years.”

Costs for Indigenous programs and services are also broken out for social security and welfare (see Table 2). However again, it is not possible to say what these costs ($2.11 billion in 2015-16) encompass.

### Table 2: Spending on specific Indigenous social security and welfare programs

<table>
<thead>
<tr>
<th></th>
<th>Estimates 2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total social security and welfare</td>
<td>149107</td>
<td>154000</td>
<td>159654</td>
<td>170719</td>
<td>186869</td>
</tr>
<tr>
<td>ATSI assistance not included elsewhere</td>
<td>2148</td>
<td>2118</td>
<td>2161</td>
<td>2151</td>
<td>2105</td>
</tr>
</tbody>
</table>

(as percentage of total social security and welfare spend)

1.44% 1.37% 1.35% 1.26% 1.13%

*From 2015-16 Budget Paper No 1. Table 8*

The Budget Papers state: “Expenses for the assistance for Indigenous Australians not elsewhere classified sub-function are estimated to decrease by 4.0% in real terms from 2014-15 to 2015-16, and by 7.3% in real terms from 2015-16 to 2018-19. In nominal terms there is a reduction of 2.0% over the period from 2014-15 to 2018-19.”

The fall in growth across the forward estimates is described as a result of ‘demographic change’ – although this is not further specified and the statement seems at odds with predicted population growth.

The 2014 Indigenous Expenditure Report from the Productivity Commission found that mainstream services accounted for $24.7 billion (81.4%) of direct Indigenous expenditure in 2012-13 (a real increase of 26.0% from 2008-09) with the remaining $5.6 billion (18.6%) provided through Indigenous specific services (a real decrease of 1.2% from 2008-09).

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Table 3 shows the extent to which Indigenous people rely on mainstream services and hence highlights the impact that changes in these will have on the Indigenous population.

Table 3: Contribution by mainstream services to direct Indigenous expenditure 2012-13

<table>
<thead>
<tr>
<th>Broad area (mapped to COAG National Indigenous Reform Agreement building blocks)</th>
<th>Expenditure by mainstream services 2012-13 (percentage of total Indigenous expenditure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe and supportive communities</td>
<td>$6.6 billion (82.2%)</td>
</tr>
<tr>
<td>Healthy lives</td>
<td>$4.8 billion (76.8%)</td>
</tr>
<tr>
<td>Economic participation</td>
<td>$5.0 billion (90.0%)</td>
</tr>
<tr>
<td>Early childhood development &amp; education and training</td>
<td>$3.5 billion (77.0%)</td>
</tr>
<tr>
<td>Home environment</td>
<td>$1.9 billion (63.9%)</td>
</tr>
<tr>
<td>Other</td>
<td>$3.0 billion (06.4%)</td>
</tr>
</tbody>
</table>

*From Productivity Commission 2014*
Indigenous Advancement Strategy

The Indigenous Advancement Strategy (IAS), which operates out of the Office of Prime Minister and Cabinet (PM&C), began on 1 July 2014. It replaces more than 150 program and activities with five flexible, broad-based programs:

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

The total Indigenous-specific funding managed by PM&C is **$8.6 billion** consisting of **$4.9 billion / 4 years** to the IAS and **$3.7 billion** allocated through National Partnership Agreements, Special Accounts and Special Appropriations.\(^\text{10}\)

Guidelines for IAS funding were released in July 2014.\(^\text{11}\) The priorities identified in the guidelines have been criticised by the National Congress as too limited to address disadvantage in a holistic way, with no appropriate definition of community wellbeing and no account taken of the significant disadvantages imposed on Indigenous Australian by issues such as high rates of incarceration and detention.\(^\text{12}\)

The IAS tendering process is seen by Indigenous organisations as opaque and unclear, and the cause of great upheaval and anxiety for many services.

The successful applicants in first round of IAS grants were announced in March 2015: 964 organisations were provided with **$860 million** to deliver 1297 projects.\(^\text{13}\) However it emerged that only 41% of applications were successful and less than 50% of successful applicants were Indigenous organisations. The majority were larger mainstream NGOs, corporate organisations, and government departments.\(^\text{14}\) Some services seen as key missed out on funding completely and there were also concerns about reduced levels and periods of funding, adding to the uncertainties. Indeed there was a sense that the process may have particularly disadvantaged community-controlled organisations, leaving questions about the importance of cultural competence as part of the selection criteria.

Perhaps it was these questions and concerns that led to a further announcement by the Minister for Indigenous Affairs on 27 May 2015. This increased funding under the IAS grant round to **$1 billion**, with

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966 organisations to now receive funding for 1,350 projects. More than half (54%) of this additional funding went to Indigenous organisations, which make up 46% of the recipients.\(^{15}\)

At June Senate Estimates this additional funding of **$140 million** was described as doing two things: filling unintended service gaps and increasing the duration of projects previously funded. As a result, more than 80% of organisations will have a funding agreement longer than 2 years (although it seems no funding agreement extends longer than 3 years).

The National Aboriginal Community Controlled Organisation (NACCHO) looked at the implications of IAS funding for the business model in its health sector.\(^{16}\) This was done prior to the Minister’s ‘top up’ announcement.

NACCHO surveyed 94 Member Services throughout April, following the announcement of the IAS funding outcomes.

**Table 4. Impact of IAS funding round on health sector**

<table>
<thead>
<tr>
<th>IAS outcomes to ACCHS &amp; Affiliates by No. of Programs</th>
<th>total programs</th>
<th>SEWB</th>
<th>AOD</th>
<th>BTH</th>
<th>Training</th>
<th>Prev</th>
<th>Early Years</th>
<th>Youth</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>newly funded programs</td>
<td>15</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>continued, funded IAS</td>
<td>63</td>
<td>22</td>
<td>15</td>
<td>10</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>partly continued, partly cut</td>
<td>17</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>unsuccessful applications for new programs</td>
<td>69</td>
<td>15</td>
<td>8</td>
<td>0</td>
<td>10</td>
<td>9</td>
<td>5</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>de-funded existing programs</td>
<td>19</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>0</td>
<td>3</td>
</tr>
</tbody>
</table>

*Table from NACCHO Budget report*

Findings included:
- Funding for ACCHOs has been reduced by approximately **$112,884** through the IAS funding from the 4000 grants received in the 2014-15 financial year.
- Most of the program categories were retained overall, but re-allocated between ACCHOs. The absence of funding for Men’s Health and Prevention programs is notable.
- Many services did not apply due to the confusing templates and miscommunications from the Department with the ACCHOs – 50% of the 94 Services NACCHO surveyed did not apply for funding.

NACCHO calculated a reduction of IAS funding allocations of **$1,202,919,558** overall to essential frontline services including for services for Social Emotional Wellbeing, Alcohol and Drugs, Bringing Them Home, Men’s Health, Youth and Early Years.


Budget documents showed the Government will spend **$4.8 million** in 2018, well after the next election, on ensuring a "consistent rate of indexation" for IAS funding.

A Senate Inquiry into Commonwealth Indigenous Advancement Strategy tendering processes is examining the ‘impact on service quality, efficiency and sustainability’ of the IAS.\(^{17}\)

A submission to the inquiry from PM&C\(^{18}\) reveals that about half of the available funds had already been allocated to existing programs before the application round even opened. The existing programs included contracts predating IAS such as the remote jobs and communities program and Working on


Country programs. Extending the assessment process while PM&C dealt with the overwhelming response also took money from the pool, while the government continued to fund more than 900 services which had been set to expire in the interim, leaving $2 billion eventually available for applications.
Implementation of the National Aboriginal and Torres Strait Islander Health Plan

The National Aboriginal and Torres Strait Islander Health Plan 2013-2023 was developed to provide an overarching framework which builds links with other major Commonwealth health activities and identifies areas of focus to guide future investment and effort in relation to improving Indigenous health.

On 30 May 2014 the Assistant Minister for Health, Fiona Nash, announced that an Implementation Plan would be developed for this Health Plan.19

This was supposed to be available from 1 July 2015 to enable the progressive implementation of the new funding approach for the Indigenous Australian’s Health Program. The new approach will target funds to those regions whose populations experience high health need and population growth. The Budget Papers explicitly mention NACCHO as the nominated community stakeholders along with States/Territories in the development of this mechanism.

At June 2015 Senate Estimates PM&C officials said that the implementation plan was still being developed by DoH in collaboration with the National Health Leadership Forum, AIHW and PM&C. Its release was expected within a ‘short period of time’.

The Close the Gap Campaign Steering Committee believes that the Implementation Plan requires the following essential elements:

- Set targets to measure progress and outcomes. Target setting is critical to achieving the COAG goals of life expectancy equality and halving the child mortality gap;
- Develop a model of comprehensive core services across a person’s whole of life including end of life care with a particular focus, but not limited to, maternal and child health, chronic disease, and mental health and social and emotional wellbeing; and which interfaces with other key service sectors including, but not limited to, drug and alcohol, aged care and disability services;
- Develop workforce, infrastructure, information management and funding strategies based on the core services model;
- A mapping of regions with relatively poor health outcomes and inadequate services. This will enable the identification of service gaps and the development of capacity building plans, especially for ACCHS, to address these gaps;
- Identify and eradicate systemic racism within the health system and improve access to and outcomes across primary, secondary and tertiary health care;
- Ensure that culture is reflected in practical ways throughout Implementation Plan actions as it is central to the health and wellbeing of Aboriginal and Torres Strait Islander people;
- Include a comprehensive address of the social and cultural determinants of health; and
- Ensure the development and implementation of the National Strategic Framework for Aboriginal and Torres Strait Islander Peoples’ Mental Health and Wellbeing 2014-2019 as a dedicated mental health plan for Aboriginal and Torres Strait Islander peoples, and in coordination with the

implementation of the *National Aboriginal and Torres Strait Islander Suicide Prevention Strategy* and the *National Aboriginal and Torres Strait Islander Drug Strategy*.

- Establish partnership arrangements between the Australian Government and state and territory governments and between ACCHS and mainstream services providers at the regional level for the delivery of appropriate health services.²⁰

The Health Portfolio Budget Statement says that in 2015-16, the Government will implement a National Continuous Quality Improvement Framework for Indigenous primary health care through the expansion of the Healthy for Life activity.²¹ This will support the delivery of guideline-based primary health care and support improved health outcomes.


Focus on transferring funding for remote communities to the States and Territories

The 2015-16 Budget confirms the Abbott Government’s focus on handing funding responsibility for remote Indigenous communities to the States and Territories.

Victoria, South Australia and Tasmania will each be given about $15 million this year to take over funding for services for their remote Indigenous communities. A payment of $90 million has previously been made to Western Australia. This has led to concerns that the Western Australian State Government will close some small remote communities.22

The Northern Territory will be given a one-off payment of $154.8 million to take responsibility for its remote Aboriginal communities.

The Government has indicated it will continue to provide essential municipal services to the troubled APY Lands in outback South Australia.

National Partnership Agreements and relationships with the States and Territories

The 2014 Indigenous Expenditure Report from the Productivity Commission showed how the proportions of direct expenditure accounted for by the Commonwealth Government, and State and Territory Governments varied across areas of expenditure in 2012-13.23

State and Territory Governments accounted for the majority of expenditure on:
- **Early child development, and education and training**: $3.6 billion (79.7%)
- **Healthy lives**: $3.9 billion (61.9%).
- **Home environment**: $2.1 billion (73.4% per cent)
- **Safe and supportive communities**: $5.6 billion (70.0%)

The Commonwealth Government accounted for the majority of expenditure on:
- **Economic participation (includes most social security payments)**: $5.4 billion (98.1%)
- **Other government services**: $2.2 billion (71.9%)

In 2015-16 the Commonwealth will provide the States and Territories with $555.8 million24 in funds though National Partnership (NP) Agreements in a range of areas. This is a decrease of $12.9 million over 2014-15. Almost all the funding that is provided under NP Agreement is for remote communities.

This year sees new NPs for the delivery of funds to the Northern Territory and for Indigenous Housing. These seem to achieve little more than name changes and confusion.

Health

Funds for Indigenous health provided through NPs have declined precipitously in recent years. In 2015-16 only $12.9 million will be provided and all of this is for programs in remote areas – mostly in the Northern Territory.

It is not clear whether the Government’s strategy in future years is increasing to require Indigenous Australians to use mainstream services, or whether new NPs will be established once the ATSI Health Plan is implemented.

Health issues that plague Indigenous communities such as trachoma, rheumatic fever, and end-stage renal disease need specifically targeted programs to address them. In areas such as trachoma control where some real progress has been made recently, it is essential that these efforts are continued into


24 This does not include the on-off payment of $154.8 million to the NT for the provision of municipal services to remote communities.
the future. A recent paper finds that the current intervention strategy and intensity is unlikely to be sufficient to control trachoma across Australia by 2020.\(^{25}\)

### Table 5: National Partnership Agreements for Indigenous health

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation, infrastructure for renal services in NT</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Improving trachoma control</td>
<td>4.1</td>
<td>.4.2</td>
<td>4.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Early childhood development –antenatal and reproductive health</td>
<td>31.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT remote Aboriginal investment - health</td>
<td>-</td>
<td>5.6</td>
<td>5.9</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Renal dialysis services in Central Australia</td>
<td>1.7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rheumatic fever strategy</td>
<td>3.0</td>
<td>3.1</td>
<td>2.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stronger Futures in NT - health</td>
<td>10.3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Torres Strait health protection strategy – Sabal Is clinic</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>61.0</td>
<td>12.9</td>
<td>12.9</td>
<td>6.2</td>
<td>6.4</td>
</tr>
</tbody>
</table>

*From 2015-16 Budget paper No 3*

Funding previously provided to the Northern Territory via the NP on Stronger Futures is replaced from 2015-16 by a new NP on Northern Territory remote Aboriginal investment. The only changes seem to be the name of the NP and a decrease in funding from around $10 million / year to $5-6 million / year.

### Table 6: National Partnership on Stronger Futures in the Northern Territory 2014-15 - health

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stronger Futures in NT - hearing health services</td>
<td>3.2</td>
<td>3.1</td>
<td>3.3</td>
<td>3.4</td>
</tr>
<tr>
<td>Stronger Futures in NT - oral health services</td>
<td>2.6</td>
<td>2.5</td>
<td>2.7</td>
<td>2.8</td>
</tr>
<tr>
<td>Stronger Futures in NT - Mobile Outreach Plus</td>
<td>4.5</td>
<td>4.6</td>
<td>4.8</td>
<td>5.0</td>
</tr>
</tbody>
</table>

*From 2014-15 Budget Papers No 3*

\(^{25}\) [http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4393231/](http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4393231/)
The funds are still to be targeted at integrated oral and hearing programs for children in remote communities and the Mobile Outreach Plus program which provides counselling and support to children in remote communities affected by the trauma associated with child abuse and neglect. Obviously the funding cuts will mean fewer services in 2015-16 and over the forward estimates.

**Education**

**National Partnership funding to the Northern Territory for education**

The NP on Northern Territory remote Aboriginal investment replaces the NP on Stronger Futures in the Northern Territory. There is little change in funding levels. **$51.2 million** is provided in 2015-16, up from **$50.1 million** in 2014-15.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NT remote Aboriginal investment – children and schooling</td>
<td>-</td>
<td>51.2</td>
<td>46.1</td>
<td>46.6</td>
<td>39.6</td>
</tr>
<tr>
<td>Stronger Futures in NT</td>
<td>50.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>50.1</td>
<td>51.2</td>
<td>46.1</td>
<td>46.6</td>
<td>39.6</td>
</tr>
</tbody>
</table>

This funding provided under the new NP is not allocated to specific initiatives as has previously been the case (see Table 7).

**Table 7: National Partnership on Stronger Futures in the Northern Territory 2014-15 – education**

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stronger Futures in NT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-additional teachers</td>
<td>27.6</td>
<td>28.1</td>
<td>21.6</td>
<td>22.1</td>
</tr>
<tr>
<td>-quality teaching</td>
<td>14.8</td>
<td>14.8</td>
<td>14.8</td>
<td>14.8</td>
</tr>
<tr>
<td>- teacher housing</td>
<td>5.4</td>
<td>6.1</td>
<td>7.4</td>
<td>7.6</td>
</tr>
<tr>
<td>Total</td>
<td>47.8</td>
<td>49.0</td>
<td>43.8</td>
<td>44.5</td>
</tr>
</tbody>
</table>

*From 2014-15 Budget Papers No 3*

The new NP provides **$6.6 million** more over the 3 years 2015-16 to 2017-18 and funding drops in 2018-19. The Budget Papers describe a focus on improving school readiness and literacy and numeracy and
also on attendance, engagement and educational achievement. This is in contrast to the previous NP where the focus was on the teaching workforce.

**Skills and workforce development**

**National Partnership on Industry and Indigenous Skills Centres**

*$0.1$ million is provided to Tasmania in 2014-15 under this NP. This funding is to assist industry and / or Indigenous community organisations to purchase, construct, fit out or refurbish capital infrastructure intended for the delivery of vocational education and training.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NP on Industry and Indigenous skills centres</td>
<td>0.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Although it is not explained in the Budget Papers, it is assumed that implementation and therefore payments were delayed. The 2014-15 Budget outlines that payments totaling *$0.9 million* were made to all the States and Territories except NSW in 2013-14.

This agreement was signed in 2012 under the previous Labor Government.\(^2^6\) It provided funding of $12 million / 2 years to the States and Territories as outlined in Table 8.

---

Table 8: Funding provided under the National Partnership on Industry and Indigenous Skills Centres

<table>
<thead>
<tr>
<th></th>
<th>2011-12 $m</th>
<th>2012-13 $m</th>
<th>Total $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>1.94</td>
<td>0.92</td>
<td>2.86</td>
</tr>
<tr>
<td>Victoria</td>
<td>0.69</td>
<td>0.33</td>
<td>1.02</td>
</tr>
<tr>
<td>Queensland</td>
<td>1.86</td>
<td>0.88</td>
<td>2.74</td>
</tr>
<tr>
<td>WA</td>
<td>1.08</td>
<td>0.51</td>
<td>1.60</td>
</tr>
<tr>
<td>SA</td>
<td>0.63</td>
<td>0.30</td>
<td>0.93</td>
</tr>
<tr>
<td>Tasmania</td>
<td>0.53</td>
<td>0.25</td>
<td>0.78</td>
</tr>
<tr>
<td>ACT</td>
<td>0.38</td>
<td>0.18</td>
<td>0.57</td>
</tr>
<tr>
<td>NT</td>
<td>1.01</td>
<td>0.48</td>
<td>1.49</td>
</tr>
<tr>
<td>Total</td>
<td>8.15</td>
<td>3.85</td>
<td>11.99</td>
</tr>
</tbody>
</table>

*From NP Agreement as signed*

The recommendations of the *Creating Parity* report from mining magnate Andrew Forrest with respect to Indigenous training and employment programs have received little or no attention in the 2015-16 Budget. 27

**Community services**

**$226.6 million** will be provided to the Northern Territory in 2015-16 for community services. This includes a one-off payment of **$154.8 million** for the NT government to take over the provision of municipal and essential services to remote communities, and **$71.8 million** through the NP on remote Aboriginal investment for community safety initiatives.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal and essential</td>
<td>130.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>services transition fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT remote Aboriginal</td>
<td>-</td>
<td>71.8</td>
<td>66.7</td>
<td>57.7</td>
<td>51.4</td>
</tr>
<tr>
<td>investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Community safety</td>
<td>-</td>
<td>71.8</td>
<td>66.7</td>
<td>57.7</td>
<td>51.4</td>
</tr>
<tr>
<td>-Municipal and essential</td>
<td>-</td>
<td>154.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stronger Futures in NT –</td>
<td>79.6</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>community services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>210.5</td>
<td>226.6</td>
<td>66.7</td>
<td>57.7</td>
<td>51.4</td>
</tr>
</tbody>
</table>

Funding to the NT for municipal and essential services was previously provided under the NP on Stronger Futures at around $21 million / year (see Table 9).

The Budget Papers also show the provision of $130.9 million in 2014-15 for Victoria ($12.5 million), Western Australia ($90 million), South Australia ($15 million) and Tasmania ($13.4 million) to take over responsibility for municipal and essential services in remote communities.

Community safety initiatives are described as those that improve the safety of individuals, families and communities, address child safety, combat alcohol abuse and provide communities with increased capacity to take more responsibility for their safety. This is a change in focus from previously where funding was provided for the social services under the Alice Springs Transformation Plan, for child, youth, family and community wellbeing (including Stronger Communities for Children sites and Mobile Child Protection Teams), for remote community policing, night patrols and legal assistance, for support for the NT Aboriginal Interpreter Service, and for tackling alcohol abuse through community alcohol management plans and licensing laws (see Table 9).

<table>
<thead>
<tr>
<th>Table 9: National Partnership on Stronger Futures in the Northern Territory 2014-15 – community services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stronger Futures in NT</strong></td>
</tr>
<tr>
<td>-Alice Springs Transformation Plan</td>
</tr>
<tr>
<td>-child, youth, family, community wellbeing</td>
</tr>
<tr>
<td>-community safety and justice</td>
</tr>
<tr>
<td>-municipal and essential service</td>
</tr>
<tr>
<td>-remote engagement and coordination</td>
</tr>
<tr>
<td>-tackling alcohol abuse</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Funding for the Community Services provision of the NP for remote Aboriginal investment represents an increase ($40 million 2015-16 to 2017-18) over that provided under the NP for Stronger Futures when funds for municipal and essential services are not considered.
Housing

$419.9 million is provided in 2015-16 for remote Indigenous housing. Of this, $56 million is provided to the Northern Territory through the NP on Northern Territory remote Aboriginal investment, but the allocation to the States and Territories of funding under the new NP on remote Indigenous housing over the forward estimates is not provided and has likely not yet occurred (see Table 10).

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NP on NT remote Aboriginal</td>
<td>-</td>
<td>56.0</td>
<td>49.7</td>
<td>50.9</td>
<td>3.6</td>
</tr>
<tr>
<td>investment – remote Australia</td>
<td>strategies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NT on Remote Indigenous</td>
<td>485.6</td>
<td>363.1</td>
<td>406.5</td>
<td>361.9</td>
<td>-</td>
</tr>
<tr>
<td>Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NP on Stronger Futures in the</td>
<td>55.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NT - housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>541.5</td>
<td>419.1</td>
<td>456.2</td>
<td>412.8</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Table 10: Total funds for Indigenous housing, by state and territory ($ million)

<table>
<thead>
<tr>
<th>Year</th>
<th>NSW</th>
<th>Vic</th>
<th>Qld</th>
<th>WA</th>
<th>SA</th>
<th>Tas</th>
<th>ACT</th>
<th>NT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>60.7</td>
<td>2.5</td>
<td>155.6</td>
<td>165.6</td>
<td>27.8</td>
<td>2.5</td>
<td>-</td>
<td>126.9</td>
</tr>
<tr>
<td>2015-16</td>
<td>^</td>
<td>-</td>
<td>^</td>
<td>^</td>
<td>^</td>
<td>^</td>
<td>-</td>
<td>^</td>
</tr>
<tr>
<td>2016-17</td>
<td>^</td>
<td>-</td>
<td>^</td>
<td>^</td>
<td>^</td>
<td>^</td>
<td>-</td>
<td>^</td>
</tr>
<tr>
<td>2017-18</td>
<td>^</td>
<td>-</td>
<td>^</td>
<td>^</td>
<td>^</td>
<td>-</td>
<td>-</td>
<td>^</td>
</tr>
<tr>
<td>2018-19</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.6</td>
</tr>
</tbody>
</table>

^ to be negotiated from funds provided under NP on remote Indigenous housing

Tracking funding for Indigenous housing resembles nothing so much as a pea and shell game. The new NP on Remote Indigenous housing spends $1.13 billion / 3 years, $91 million less than the NP it replaces (see Table 11).
### Table 11: Indigenous housing in the 2014-15 budget

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>NP Stronger Futures in NT - housing</td>
<td>55.9</td>
<td>52.3</td>
<td>46.2</td>
<td>47.4</td>
</tr>
<tr>
<td>NP Remote Indigenous Housing</td>
<td>485.6</td>
<td>368.2</td>
<td>411.7</td>
<td>447.6</td>
</tr>
</tbody>
</table>

The Budget Papers state that the new NP will “facilitate significant reform in the provision of housing for Indigenous people in remote communities.” and that it will fund the construction of around 1,000 new houses in ‘sustainable’ remote Indigenous communities across Australia. There is reference also to incentives to the states for progress against agreed outcomes – it is not clear if such (financial) incentives would come from this funding. This is possible, especially given that the distribution of funds to the States and Territories has not been determined.

The 2009 NP agreement on Remote Indigenous Housing spent $5.5 billion / 10 years. Over the years that amount has been whittled down by successive budgets to something like half that amount. Yet the need is huge. An AIHW report shows that the rate of homelessness for Indigenous people is four times that of non-Indigenous Australians, the rate of home ownership for Indigenous households is about a third compared to two-thirds for non-Indigenous households, and Indigenous households are ten times more likely to be living in overcrowded conditions compared to non-Indigenous households.\(^{28}\) This report used data from 2006, but there is no evidence the situation has changed since then, especially in remote areas.

### Internet access

Beginning in 2015-16 funding from the NP on remote Indigenous public internet access will be redirected to remote internet training under the IAS.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NP on remote Indigenous public internet access</td>
<td>2.2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The NP was established to improve public internet access facilities and provide related computer training in remote communities. The new measure, funded at $6.7 million / 3 years, states that “funding will provide essential infrastructure such as computer, printers and internet access points to improve internet literacy and educational outcomes for children and adults in around 75 remote communities.” It is not clear how these communities will be selected.

**Northern Territory**

As discussed above, the Abbott Government has established a new National Partnership Agreement to replace the current NP on Stronger Futures in the NT.

The Budget Papers state: "The Government will redirect funding of $988.2 million over eight years to establish a new National Partnership Agreement on Northern Territory Remote Aboriginal Investment."

This is not new funding, and given that $770 million is allocated over the first 4 years, spending in this measure in the years beyond 2018-19 will be minimal.

Spending over the next 4 years is broken down as follows:
- **$247.6 million** on community safety
- **$183.5 million** on schooling
- **$55.9 million** on housing
- **$24.1 million** on health

The new NP sees total overall spending increase by $35.9 million / 4 years (includes 2015-16 one-off payment). However spending on health is almost halved. The main changes seem to be a ‘broad banding’ of spending with less direction about where funds are to be spent. While this provides flexibility, it does mean that the federal Government has less control over targets and outcomes.

### National Partnership on Stronger Futures in the Northern Territory

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>10.3</td>
<td>10.3</td>
<td>10.8</td>
<td>11.2</td>
<td>-</td>
</tr>
<tr>
<td>Schooling components</td>
<td>50.1</td>
<td>49.0</td>
<td>43.8</td>
<td>44.5</td>
<td>-</td>
</tr>
<tr>
<td>Community services</td>
<td>79.6</td>
<td>78.3</td>
<td>76.1</td>
<td>68.6</td>
<td>-</td>
</tr>
<tr>
<td>Housing</td>
<td>55.9</td>
<td>52.3</td>
<td>46.2</td>
<td>47.4</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(71.0)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>195.9</td>
<td>189.8</td>
<td>176.9</td>
<td>171.7</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(266.9)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*From NP on remote Indigenous housing. While this NP continues through to 2017-18, it is not clear if there will additional further funding for the Northern Territory after 2014-15.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>-</td>
<td>5.6</td>
<td>5.9</td>
<td>6.2</td>
<td>6.4</td>
</tr>
<tr>
<td>Children and schooling</td>
<td>-</td>
<td>51.2</td>
<td>46.1</td>
<td>46.6</td>
<td>39.6</td>
</tr>
<tr>
<td>Community safety</td>
<td>-</td>
<td>71.8</td>
<td>66.7</td>
<td>57.7</td>
<td>51.4</td>
</tr>
<tr>
<td>Municipal and essential services</td>
<td>-</td>
<td>154.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Remote Australia strategies</td>
<td>-</td>
<td>56.0</td>
<td>49.7</td>
<td>50.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>339.4</td>
<td>168.4</td>
<td>161.4</td>
<td>101.0</td>
</tr>
</tbody>
</table>
Budget provisions

Cross Portfolio

Extension of Administered Program indexation pause

There is a two year extension to the Administered Program indexation pause which was introduced in the 2014-15 Budget.

At least three Indigenous programs will be subject to this:
• Aboriginal and Torres Strait Islander Flex Service Model (DSS)
• Indigenous aged care workforce (DSS)
• Aboriginal and Torres Strait Higher Education Advisory Council (DET) 29

Attorney General

Extension of Legal Assistance Funding

Funding of $25.5 million / 2 years is provided for legal assistance programs, including $11.5 million for the Indigenous Legal Assistance Program.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
<td>$m</td>
</tr>
<tr>
<td>AGD</td>
<td>-</td>
<td>13.0</td>
<td>12.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PM&amp;C</td>
<td>-11.5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>-11.5</td>
<td>13.0</td>
<td>12.4</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Faced with a strong backlash from stakeholders, the legal sector and Liberal and Labor State Attorneys-Generals, the Abbott Government announced in March 2015 that it would reverse funding cuts to the Indigenous Legal Assistance Program which operates the Aboriginal Legal Centres (ALCs). 30 The cuts, of $13.4 million / 4 years, represented a clawback of additional funding provided in the 2013-14 Budget.

This decision now provides (an additional) $11.5 million / 2 years for ALCs which were threatened with closure.


The Budget Papers state that the funding for this measure will be provided from within Indigenous Affairs and AGD. It is not clear if the cuts of $11.5 million in 2014-15 represent funds already lost from the ILAP or money that will be taken (presumably from other Indigenous programs) to fund the ILAP. Either way, it is robbing Peter to pay Paul. The provision of funding for only two years does little to offer stability to this sector, where needs are growing.

In 2013–14, the AG Department distributed $74.9 million for ALCs based on contracts which run through to the end of June 2015. Research undertaken by a range of government and non-government bodies indicates a significant level of unmet demand for Indigenous legal assistance.

An ANAO report released in February 2015 found that the focus of the program’s measurement and reporting is mainly on the levels of funding expended and the number of legal services delivered. The absence of targets or baseline information in relation to access means that the AG Department is unable to assess whether access to justice has improved as a result of the ALC funding.31

**Extension of Native Title Respondents Scheme**

It is worthwhile noting that $5.8 million / 4 years is provided to extend the Native Title Respondents Scheme which provides assistance for the legal costs of respondents to native title claims and assists industry representatives with Native Title Officer costs.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGD</td>
<td>-</td>
<td>0.8</td>
<td>1.6</td>
<td>1.7</td>
<td>1.7</td>
</tr>
</tbody>
</table>

This funding is on top of $2.2 million / 3 years provided in 2013-14 MYEFO. This is not funding for Indigenous needs, but rather will go to those who oppose or have concerns about Native Title issues.

**Support for Native Title holders**

In June 2015, the Minister for Indigenous Affairs announced $20 million / 4 years to Native Title corporations to support capacity building and training and increase opportunities for commercial development. The funding has been announced as part of the Northern Australia White Paper package.32

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Education and training

Savings of $131.0 million / 5 years are taken from the Education and Training portfolio in the name of ‘smaller government’; this includes unspecified savings and changes in Indigenous programs. The Aboriginal and Torres Strait Islander Higher Education Advisory Council will cease operations in 2015. The Budget Papers state that the Government will ‘continue its focus on Indigenous higher education through the Prime Minister’s Indigenous Advisory Council and consultation with the ATSI Higher Education Consortium.

Universities and other educational bodies have expressed concerns about the Abbott Government’s decision to abolish the Indigenous Tutorial Assistance Scheme (ITAS) and replace the $14 million / year program with a competitive grants process under the Indigenous Advancement Strategy. It is not clear if this is already underway.

Australian Institute of Aboriginal and Torres Strait Islander Studies — preservation of Indigenous cultural resources

An additional $5.0 million is provided in 2015-16 to continue the preservation of a range of documentary and audio-visual materials held in non-digital form by AIATIS.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIATIS</td>
<td></td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$3.3 million was provided in 2014-15 for this work.

However it should be noted that this additional funding comes from cuts made in the Higher Education Participation Program – yet another example of robbing Peter to pay Paul.

Remote Indigenous Students Attending Non-Government Boarding Schools — continuation

$5.4 million / 2 years is provided to continue support for private schools which board and educate Indigenous students from remote communities.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DET</td>
<td></td>
<td>3.5</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This assistance is provided to non-government schools with more than 50 Indigenous boarding students from remote or very remote areas, or where 50% or more of their boarding students are Indigenous students from remote or very remote areas.

$6.8 million was provided in 2014-15 for this purpose. At the time, Minister Pyne’s media release stated that this was interim funding which will be provided for one year to support schools which qualify while a broader welfare review is conducted.

Current total funding levels for this program could not be established.

The Government has previously signalled that it favours sending more Indigenous children to boarding schools to help to boost school attendance. In 2014, 21 schools and 1487 remote and very remote Indigenous boarding students benefited from the program.

Health

There were no specific Indigenous issues included in the Health budget, and there are questions about the future of some programs.

Aboriginal Community Controlled Health Organisations

The Abbott Government has provided $1.4 billion /3 years ($448 million / per year) for Aboriginal Community Controlled Health Organisations (ACCHOs). This will include a 1.5% CPI increase over the 3 year period. NACCHO and Affiliate funding of $18 million is provided for 18 months and in that time DoH will commence a review of NACCHO’s role and function.34

In addition, NACCHO has secured confirmation of an extension of the exemption from Section 19.2 of the Health Insurance Act 1973 which expires on 30 June 2015, which enables ACCHOs to receive financial benefit from Medicare rebates in addition to Government funding. This extension will be granted until June 2018.

The freeze on MBS rebate indexation will have a significant financial impact on ACCHOs as will any increase in Medicare and PBS co-payments.

Flexible Funds

In combination the 2014-15 and 2015-16 Budgets will cut $500 million / 4 years from 14 of the 16 DoH flexible funds. There is still no clarity in relation to how these savings are to be achieved, although the Aboriginal and Torres Strait Islander Chronic Disease Fund will not be cut. However cuts to other funds

such as those that support the provision of essential services in rural, regional and remote Australia, that manage responses to communicable diseases and that deliver substance abuse treatment services will affect Indigenous Australians.

**Aboriginal and Torres Strait Islander Chronic Disease Fund**

Within the Health portfolio, the Aboriginal and Torres Strait Islander Chronic Disease Fund supports activities to improve the prevention, detection, and management of chronic disease in Indigenous Australians and to contribute to the target of closing the gap in life expectancy. The Fund consolidates 16 existing programs, including the majority of initiatives under the Indigenous Chronic Disease Package, into a single flexible fund. The three priority areas targeted are:

- Tackling chronic disease risk factors
- Primary health care services that can deliver
- Fixing the gaps and improving the patient journey.

The Fund was established in the 2011 Budget and came into operation on 1 July 2011. The funding is **$833.27 million / 4 years** (from 1 July 2011 to 30 June 2015). The majority of funding has been directly allocated to organisations to support activities under the Fund’s Indigenous Chronic Disease Package programs.\(^{35}\)

At June 2015 Senate Estimates it was confirmed that most, but not all, of the activities under this fund were continuing. Local community campaigns and the chronic disease self-management program were named as two programs that were not continued.

**Tackling Indigenous Smoking Program**

The 2014-15 Budget cut **$130 million / 5 years** from the Tackling Indigenous Smoking Program, despite the fact that 44% of Indigenous people smoke.\(^{36}\) The program was reviewed in 2014 and the DoH website says that this review will “provide the Government with options to ensure the program is being implemented efficiently and in line with the best available evidence. The outcome of the review will inform new funding arrangements from 1 July 2015.”\(^{37}\) However there were no announcements in the Budget.

The redesigned program was announced on 29 May 2015, but with no increase in funding.\(^{38}\) It is not clear when or if the review of this program, conducted by the University of Canberra, will be released.

Funding in 2014-15 was **$46.4 million**; this is reduced to **$35.3 million** in 2015-16. Staffing levels have also fallen significantly, from 284 FTEs in May 2014 to 194 FTEs in May 2015. There will be further disruption to this important program as current contracts cease at the end of June 2015 and the 49


organisations that deliver the program must go through the IAS Invitation to Apply Process for further funding. Transitional funding will be available for the next 6 months.

**Australian Nurse Family Partnership Program and New Directions: Mothers and Babies Services**

In the 2014-15 Budget there was additional funding for a Better Start to Life will improve early childhood outcomes:

- **$54 million** expansion, from 2015-16, of New Directions from 85 to 137 sites (52 additional sites overall) to ensure more Indigenous children are able to access effective child and maternal health programs.
- **$40 million** expansion, from 2015-16, of the Australian Nurse Family Partnership Program from 3 to 13 sites (10 additional sites overall) to provide targeted support to high needs Indigenous families in areas of identified need.

In 2015 the Australian Nurse Family Partnership Program will grow from three to five sites and New Directions: Mothers and Babies Services will reach an additional 25 services, bringing the total to 110 services, with an enhanced capacity to identify and manage Fetal Alcohol Spectrum Disorder in affected communities.39

**Prevention – Shingles vaccine**

The Budget provides for the listing of Zostavax vaccine for the prevention of shingles to be listed on the National Immunisation Program for 70 year olds from 1 November 2016. This measure includes a 5-years program to provide a catch-up program for people aged 71-79.

There is concern that the 70-79 year old age cohort largely excludes Indigenous people because of their lower life expectancy.

**Pharmaceutical Benefits Scheme**

**Close the Gap PBS Co-payment**

This is an ongoing measure and although it was not mentioned in the Budget, it was stated in Senate Estimates that this would continue as currently.

**QUMAX Program**

The QUMAX program is a quality use of medicines initiative that aims to improve health outcomes for Indigenous people through a range of services provided by participating ACCHO and community pharmacies in rural and urban Australia. It commenced in 2008 as a two year pilot. It was later approved

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for a transition year outside the 4th Community Pharmacy Agreement and for a further four years under the 5th Community Pharmacy Agreement.  

NACCHO and the Pharmacy Guild of Australia have been negotiating 1 year transition funding of QUMAX to enable development of an Implementation Plan under the 6th Community Pharmacy Agreement. NACCHO will seek to expand QUMAX from 76 services to 134 services.  

Medicare

MBS Practice Incentive Program (PIP) Indigenous Health Incentive

This is an ongoing program (although it may be subject to an indexation freeze). It is expected to be considered as part of the new MBS Review.

Healthy Kids Check

The Budget cut Medicare funding for the Healthy Kids Check, a consultation with a nurse or GP to assess a child’s health and development before they start school, on the basis that this measure is a duplication with existing State and Territory based programs. NACCHO states that this change will not impact ACCHOs or Indigenous children as ACCHOs can continue to bill health assessments through a separate item (MBS item 715).

Primary care - PHN Funding

The current transition of Medicare Locals (MLs) to Primary Health Networks (PHNs) is proceeding slowly and many details relating to specific programs remain unknown, perhaps even undecided.

To date, 21 of 61 MLs outsource the provision of services for Indigenous Australians directly to ACCHOs. The provision of these services will now move to a competitive commissioning process, leading to concerns about issues such as cultural safety and sensitivity.

The Minister for Health, Sussan Ley, has advised NACCHO that funding for Complementary Care and Supplementary Services will transition to the PHNs.  

Mental Health

The Budget has nothing that responds to the National Mental Health Commission’s review of programs and services. The report describes Indigenous mental health as ‘dire’. It’s a dominant over-arching


theme throughout, and there is a recommendation to make Indigenous mental health a national priority and agree an additional COAG Closing the Gap target for mental health.\(^{43}\)

Despite this, the Government has delayed any action and has established an Expert Reference Group to develop implementation strategies. There is no Indigenous representation on the Reference Group.

**Substance and alcohol abuse**

**Alcohol abuse**

Alcohol abuse has been identified as a major public health concern among Indigenous people, with serious physical and social consequences. Indigenous Australians between the ages of 35 and 54 are up to eight times more likely to die than their peers, with alcohol abuse the main culprit and alcohol is associated with 40% of male and 30% of female Indigenous suicides.\(^{44}\)

Fewer Indigenous people drink alcohol than in the wider community, but those who do drink do so at levels harmful to their health. Culturally appropriate intervention approaches are needed and ‘dry zones’ are only seen as stop gap measures.

Cuts made in Flexible Funds affect drug and alcohol programs. Professor Kate Conigrave reports that there are now only 5 dedicated Indigenous drug and alcohol services nationally.\(^{45}\)

**Ice campaign**

This Budget commits **$20 million / 2 years** for a new stage of the National Drugs Campaign primarily aimed at the use of ice. No consultation has been undertaken in the lead up to the announcement of this health promotion campaign.

It almost certainly will not achieve tangible outcomes for Aboriginal people, despite concerns about a growing ice epidemic in remote Indigenous communities.\(^{46}\)

**Opal fuel**

There are 123 petrol stations selling Opal fuel in remote parts of Australia but some retailers in the roll-out zones don’t and there are pockets of sniffing near state borders. In December 2014 it was


\(^{45}\) Personal communication

announced that a bulk storage tank for low-aromatic unleaded fuel (LAF or Opal) is to be installed in northern Australia as part of the roll-out of OPAL in the fight to curb the problem of petrol sniffing.47

Human Services

Continuation of Government Remote Servicing

$93.8 million / 4 years is provided to continue support for the delivery of government payments and services in remote locations.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS-</td>
<td>-</td>
<td>23.9</td>
<td>23.1</td>
<td>23.3</td>
<td>23.5</td>
</tr>
</tbody>
</table>

This program was previously funded through the Income Management program (see provisions under Social Services).

Social Services

Two year extension of Income Management

$146.7 million / 3 years is provided to extend existing income management arrangements in all current locations for two years until 30 June 2017.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS</td>
<td>0.9</td>
<td>57.0</td>
<td>76.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DSS</td>
<td>-</td>
<td>6.7</td>
<td>5.8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>0.9</td>
<td>63.7</td>
<td>82.1</td>
<td>-</td>
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</tr>
</tbody>
</table>

In the 2014-15 Budget $101.1 million was provided to extend income management in existing locations for one year and to expand income management in the Ceduna Region from 1 July 2014. At that time the Budget Papers stated that the future of this policy would be determined after the Government

considered the McClure welfare review and the Forrest review of indigenous employment. (See provision on New Income Management arrangements.)

Compulsory income management was introduced to many Aboriginal communities in 2007 in the Howard Government’s Northern Territory Emergency Response (NTER). Under income management, a proportion of social security payments are quarantined and directed to a special account. This money can only be used to buy ‘essentials’.  

Late last year reports evaluating the introduction of voluntary income management in the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands of South Australia, the place-based income management trial in five sites across Australia, and income management in the Northern Territory which combined compulsory and voluntary elements were released.

Voluntary Income Management (VIM) was introduced in the APY Lands in October 2012. The evaluation was clearly about short-term results. Overall the report found:

- The introduction of income management in the APY Lands is positively viewed by the majority of the community.
- There is evidence that income management is helping people in the APY Lands protect themselves from financial harassment and that it helps to stabilise finances for people with chronic financial management problems.
- There was also evidence that children are being fed better food more often.
- There has been a reduction in gambling and drinking alcohol, due to the reduced amount of cash in the community.

Evaluation of the five place-based trial sites of income management (Playford SA, Greater Shepparton Vic, Bankstown NSW, Rockhampton Qld, Logan Qld) commenced in January 2012 and four reports will be produced as part of this process. The Baseline Report and the Process and Short Term Outcomes Report are available on the DSS website. The website says that the third report was due in January 2015 and the Final Report due to the Department in May 2015 but these do not appear to be available.

The Process and Short Term Outcomes Report shows that some people who volunteer for income management have improved their ability to manage their money and are now less likely to run out of money for food, rent or mortgage payments.

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The report evaluating income management in the Northern Territory was based on research conducted between 2010 and 2014.\textsuperscript{51} The findings of this report were mixed, with fewer positive findings than the other reports. Significant improvements at the community level were not evident, despite improvements being reported at the individual level, such as:

- Positive impacts for people on some forms of compulsory income management, including Child Protection Income Management and social worker assessed Vulnerable Income Management.
- Reports that for some people income management has improved the lives of both them and their children.
- Many people reported a reduction in humbugging.
- Some reports of improvements in health and well-being through having less cash available for alcohol or drugs.

It’s not clear that any changes have been made in the income management programs as a result of these reports.

**New income management arrangements – trial and industry consultation**

\textbf{$2.7\ \text{million}$} is provided to facilitate consultation and engagement with communities and industry on future income management arrangements involving a commercially delivered debit card arrangement/

Additional funding (nfp) will be provided for 3 years from 2014-15 to undertake a trial of new debit card arrangements in up to three communities.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSS</td>
<td>-</td>
<td>2.7</td>
<td>-</td>
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</tbody>
</table>

These trials are based on recommendations made in the Forrest Review. The locations will be determined ‘in consultation with key stakeholders’.

A 13 June 2015 media report stated that the Government has identified at least three communities as potential trial sites for the so-called Healthy Welfare card: Kununurra in the East Kimberley region of Western Australia, Moree in northern NSW and Ceduna in South Australia.\textsuperscript{52}


\textsuperscript{52} \url{http://www.theaustralian.com.au/national-affairs/indigenous/trial-communities-back-no-grog-cashless-welfare-cards/story-fn9hm1pm-1227395552860?sv=44ea10098c0cbf2cb26e8422791a9a1c&logout=1}
Transitional arrangements for New Way of Working for Grants Framework

$55.6 million / 3 years is provided to ensure continuity of front line community services as DSS funding arrangements transition to the New Way of Working for Grants Framework. The extent to which this will apply to services for Indigenous people and communities is unclear.

<table>
<thead>
<tr>
<th>Year</th>
<th>2014-15 m</th>
<th>2015-16 m</th>
<th>2016-17 m</th>
<th>2017-18 m</th>
<th>2018-19 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSS</td>
<td>26.0</td>
<td>14.7</td>
<td>14.9</td>
<td>-</td>
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</tr>
</tbody>
</table>

A media release from the Minister for Social Services, Scott Morrison, indicates that DSS grants have had a funding reduction of $271 million.53

The Budget Papers state that a number of grant activities have been discontinued, with savings of $30 million.

Extension of ABSTUDY Under-16 Boarding Supplement

$10 million / 5 years is provided to extend the ABSTUDY Under-16 Boarding Supplement to approved hostels from 1 July 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>2014-15 m</th>
<th>2015-16 m</th>
<th>2016-17 m</th>
<th>2017-18 m</th>
<th>2018-19 m</th>
</tr>
</thead>
<tbody>
<tr>
<td>DSS</td>
<td>-</td>
<td>2.4</td>
<td>2.3</td>
<td>2.4</td>
<td>2.4</td>
</tr>
<tr>
<td>DHS</td>
<td>..</td>
<td>0.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>..</td>
<td>2.8</td>
<td>2.3</td>
<td>2.4</td>
<td>2.4</td>
</tr>
</tbody>
</table>

ABSTUDY provides assistance with costs for Indigenous students and apprentices.

From 1 July 2015, the Under-16 Boarding Supplement will be payable to qualifying hostels that accommodate ABSTUDY students, who are:

- aged under 16
- receiving the away from home rate of Living Allowance, and
- are a secondary school student

To date, the Under-16 Boarding Supplement has been payable to eligible boarding schools only. Qualifying hostels accommodating ABSTUDY students will receive the same rate of assistance as eligible boarding schools for eligible ABSTUDY students aged under 16.54


Expansion of Home Interaction Program for Parents and Youngsters

On 15 June the Government announced 25 additional communities that will receive support for the HIPPY program. The Brotherhood of St Laurence which manages the program via HIPPY Australia is undertaking a process to select program providers to deliver HIPPY in the new 2015 communities.

The decision about these communities was to have been made in ‘early 2015’ and nominations were called for in January 2014. It is not clear what impact this time delay will have on the program and the children who might benefit from it.

This is the final year of funding for this program. It will be interesting to see if the Government renews it in a timely manner.

HIPPY is a two-year home-based parenting and early childhood program that helps build the skills of parents and carers to prepare their child for school. The program also offers some parents and carers a path to employment and local community leadership. It is open to children aged 4-5 years.

More than $100 million has been committed to HIPPY since 2008 (although to read the Government’s media releases you would think they had provided it all!). The 2012-13 Budget provided $55.7 million / 4 years for HIPPY to expand the program an additional 50 locations (making 100 in total), with a focus on Indigenous families. It is currently being delivered in 75 communities across Australia, including 25 Indigenous focused communities that commenced in 2014.

Prime Minister and Cabinet

The Indigenous Budget provisions in the portfolio of Prime Minister and Cabinet (PM&C) as outlined in Budget Papers No 2 exemplify perfectly the opaqueness of the Budget Papers and the rejigging of programs and funds. It is only by careful tracking through Budget Papers No 3 and previous years’ Budgets that funding measures can be tracked.

Budget cuts in the name of smaller government

Six trusts have been dissolved due to the transfer of assets to the Indigenous Real Estate Investment Trust.
These are:
• the National Indigenous Participation Trust

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56 [http://nacchocommunique.com/2014/01/20/naccho-aboriginal-funding-alert-100-million-has-been-committed-for-hippy-to-focus-support-on-aboriginal-families/](http://nacchocommunique.com/2014/01/20/naccho-aboriginal-funding-alert-100-million-has-been-committed-for-hippy-to-focus-support-on-aboriginal-families/)

• the Indigenous Investment Trust
• the Scarborough House Office Trust
• the Scarborough House Investment Trust
• the National Indigenous Property
• the Indigenous Property Trust.

Interestingly, so savings are indicated. It appears that the Real Estate Investment Trust is operated by Indigenous Business Australia.58

A new remote Indigenous housing strategy

The Government is replacing the existing National Partnership Agreement on Remote Indigenous Housing with a new Remote Indigenous Housing Strategy. The Budget Papers indicate this is costed at $1.1 billion / 3 years from 2015-16.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
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<tbody>
<tr>
<td>PM&amp;C</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Treasury</td>
<td>-</td>
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<tr>
<td>Total</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

As Table 12 indicates there are savings of $90 million taken. The Budget Papers state that this is $95 million and that this has been redirected offset cuts made to the Remote Jobs and Communities Program announced in the 2014-15 MYEFO.

Table 12: Comparison of previous and new National Partnership Agreements on Indigenous Housing

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous NP on Indigenous Housing</td>
<td>485.6</td>
<td>365.2</td>
<td>411.7</td>
<td>447.6</td>
<td>-</td>
</tr>
<tr>
<td>New NP on Indigenous Housing</td>
<td>485.6</td>
<td>363.1</td>
<td>406.5</td>
<td>361.0</td>
<td>-</td>
</tr>
</tbody>
</table>

It is not clear why these NP changes are made; the answer likely lies in the language of the NP Agreements. The Budget Papers talk about a focus on “achieving agreed outcomes, including increased Indigenous home ownership and employment, and improved property and tenancy management.”

This NP is discussed in more detail in the section on National Partnership Agreements and relationships with the States and Territories.

National Partnership Agreement on Northern Territory remote Aboriginal Investment

The NP on Stronger Futures in the Northern Territory will be replaced with a new NP on Northern Territory remote Aboriginal investment. Savings of $216 million / 4 years are taken but a one-off funding of $154.8 million is provided in 2015-16 for the Northern Territory Government to take on full responsibility for delivering municipal and essential services in remote Indigenous communities.

The Budget Papers state that under this new NP total funding of $988.2 million / 8 years will be provided. This would represent total savings for this measure of $412 million / 8 years.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM&amp;C</td>
<td>-</td>
<td>-15.6</td>
<td>-12.8</td>
<td>-11.7</td>
<td>-11.5</td>
</tr>
<tr>
<td>Treasury</td>
<td>-</td>
<td>147.7</td>
<td>-10.3</td>
<td>-11.9</td>
<td>-12.6</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>132.1</td>
<td>-23.1</td>
<td>-23.6</td>
<td>-24.1</td>
</tr>
</tbody>
</table>

The new NP is described as prioritising schooling, community safety and employment. The main changes seem to be a ‘broad banding’ of spending with less direction about where funds are to be spent and a halving of finds for health services. Given that $770 million is allocated in the first 4 years, spending in the second four years, on current funding, will be minimal.

This NP is discussed in more detail in the section on National Partnership Agreements and relationships with the States and Territories.

There is a strange comment included in this provision in the Budget Papers No 2 page 144 which says: “Commonwealth administered funding of $1.4 billion, currently part of the NPA on Stronger Futures in the Northern Territory, will not be included in the new NPA. This funding will continue outside of the NPA framework and be administered by the departments of the Prime Minister and Cabinet, Social Services and Health to provide services and support for Indigenous Australians.”

However this is not reflected in the way the budget estimates are written. It remains to be explained.

Indexation of funding for Indigenous Advancement Strategy

$4.8 million is provided in 2018-19 for indexation across all elements of the Indigenous Advancement Strategy when regular indexation resumes at that time.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
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<tr>
<td>PM&amp;C</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4.8</td>
</tr>
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</table>
Remote Indigenous internet training

Funding of **$6.7 million / 3 years** is provided to the IAS to provide Indigenous internet equipment and training. This is not new money but is redirected from the NP on remote Indigenous Public internet access.

<table>
<thead>
<tr>
<th></th>
<th>2014-15 $m</th>
<th>2015-16 $m</th>
<th>2016-17 $m</th>
<th>2017-18 $m</th>
<th>2018-19 $m</th>
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<tbody>
<tr>
<td>PM&amp;C</td>
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<td>-2.2</td>
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<td>Total</td>
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</table>

Remote Indigenous home loans

The Indigenous home loans program will be reformed with the goal of improving home ownership rates in remote areas. Home loans and financial supports will be portable for Indigenous Australians living in remote communities who choose to move to another location to take up a job or undertake education. Also Indigenous Australians will be supported in the transition from renting to home ownership by extending financial support grants to cover start-up and ongoing home ownership expenses (such as repairs and maintenance).

The cost of this measure is not provided. It will be met from within the existing resources of Indigenous Business Australia's Indigenous Home Ownership Program.
Progress in Closing the Gap

The 2015-16 Budget should be read in the context of the Abbott Government’s commitment to Closing the Gap on Indigenous disadvantage.

The Prime Minister’s annual report on Closing the Gap was released in February 2015.\(^{59}\) The report admits that although there has been some improvement in education and health outcomes for Indigenous Australians, most Closing the Gap targets are not on track to be met.

Outcomes are improving in a number of key areas such as mortality rates for children, the proportion of young Indigenous Australians completing year 12 or above, the proportion aged 20–64 years with or working towards post school education and training, and the proportion of adults whose main income is from employment.

But there has been little or no change for other key indicators, including life expectancy, the proportion of students achieving national minimum standards for reading, writing and numeracy, the relatively high rates of family and community violence, drug and substance use, and rates of disability and chronic disease.

Outcomes are worse in some areas such as the proportion of adults reporting high levels of psychological distress, suicide rates and hospitalisations for intentional self-harm, and detention and incarceration rates for both adults and youth.\(^{60}\)

The Close the Gap Progress and Priorities 2015 report, which was released at the same time as the Prime Minister’s report, made a number of recommendations to reduce the inequality between Indigenous and non-Indigenous Australians, including realignment and investment in primary healthcare and comparing Australian efforts to those of New Zealand, where significant improvements have been made.\(^{61}\)

Life expectancy

While there has been a 16% decrease in overall death rates between 1998 and 2013, this apparent good news is tempered by the fact that there has been no significant decrease between the 2008 baseline and 2013; between 2005-07 and 2010-12, there has been a small reduction in the gap of 0.8 years for males and 0.1 years for females. Nearly two thirds of Indigenous people die before the age of 65, compared with only 19% of other Australians.\(^{62}\)


Chronic diseases account for 70% of Indigenous deaths and 80% of the gap in death rates between Indigenous and non-Indigenous Australians. They also mean higher disability rates for Indigenous Australians. Indigenous Australians not only have higher rates of chronic diseases such as cancer, diabetes and cardiovascular disease but these occur at younger ages.63

An inadequate supply of comprehensive Aboriginal primary health care services and an inequitable share of mainstream programs lie at the heart of the problem. Government funding distributions ignore demographic trends and health needs.64

Access to primary care services in remote areas remains limited, and access to referred services such as specialists and diagnostics is poor for Indigenous people everywhere, even in major cities. Per-person spending on non-hospital secondary services is about 57% of that for non-Indigenous people. Indigenous Australians receive nearly all their secondary care in hospitals. The hospital data hammer home the story, in 2010–11, the overall age-standardised separation rate of 911 per 1000 for Indigenous people was 2.5 times that for non-Indigenous people; for people living in the Northern Territory the rate was 7.9 times that for non-Indigenous people.65

Mortality rates for infants and young children

For Indigenous children, the mortality rate was 216.8 per 100,000 children in 1998 and 184.7 in 2013, representing a 14% decline. For non-Indigenous children, the rate was 114.9 in 1998 and 84.1 in 2013, representing a 27% decline. While the target for child mortality remains achievable by 2018, the decline in Indigenous child deaths slowed in 2013. There are explanations for this relating to reporting anomalies.66

It is a continuing problem that reliable data on Indigenous child mortality are available only for New South Wales, Queensland, Western Australia, South Australia and the Northern Territory.

However an important issue that is lost with the focus on child mortality is that the incidence of maternal death in Indigenous women is more than double that for non-Indigenous women, with maternal mortality ratios of 13.8 and 6.6 deaths per 100,000 women who gave birth, respectively.67

Education targets

Progress in this area is variable and largely unacceptable.

The target for early childhood education was not met and the Abbott Government appears to have no plans to address this. The Prime Minister’s report states that the Government has extended the National Partnership Agreement on Universal Access to Early Childhood Education to 2015, but in fact funding for this NP ceased on 30 June 2015. The NP on Indigenous early childhood development ended in June 2014.

According to the 2011 Australian Census:
- 92% of 5 year-old Indigenous children were attending an educational institution
- 25% of Indigenous people had completed year 12, compared with 52% of non-Indigenous people
- 26% of Indigenous people reported having a post-school qualification, compared with 49% of non-Indigenous people
- 4.6% of Indigenous people had attained a bachelor degree or higher, compared with 20% of non-Indigenous people.

An ABS school report revealed that in 2013 the apparent retention rate for Indigenous students from year 7/8 to year 12 it was 55% compared to 83% for non-Indigenous students.

It has been determined that approximately 20% of the gap in performance between Indigenous and non-Indigenous 15-year-olds is explained by relatively poor school attendance among Indigenous students. These data do reveal that the current Government’s focus on school attendance and retention is correct, but it needs to be accompanied by attention to the related issues such as necessary nutrition and clothing, transportation, visions and incentives for future employment, and the quality of teaching and school facilities.

Employment targets

According to the 2011 Australian Census, 42% of Indigenous people aged 15 years or older were employed and 17% were unemployed. In comparison, 61% of non-Indigenous people aged 15 years or older were employed and 5% were unemployed.

The most common occupation classification of employed Indigenous people was ‘labourer’ (18%) followed by ‘community and personal service workers’ (17%). This is in stark contrast to the most common occupation classification of employed non-Indigenous people which was ‘professional’ (22%). This is reflected in the differences in income: the median gross weekly household income for Indigenous households in 2011-13 was $465 compared with $869 for non-Indigenous households.

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Table 13: Progress on COAG Closing the Gap targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Target year</th>
<th>Progress</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Close gap in life expectancy within a generation</td>
<td>2031</td>
<td>Not on track</td>
<td>Limited progress</td>
</tr>
<tr>
<td>Halve the gap in mortality rates for children under 5 within a decade</td>
<td>2018</td>
<td>On track</td>
<td>Long term progress</td>
</tr>
<tr>
<td>Ensure access for all 4 yo in remote communities to early childhood education</td>
<td>2013</td>
<td>Not met</td>
<td>In 2013, 85 per cent of Indigenous fouryearolds were enrolled compared --to the target of 95 per cent.</td>
</tr>
<tr>
<td>Halve the gap in reading, writing and numeracy achievements for students</td>
<td>2018</td>
<td>Not on track</td>
<td>No overall improvement in Indigenous reading and numeracy since 2008</td>
</tr>
<tr>
<td>Halve the gap for Indigenous Australians aged 20-24 in Year 12 attainment or equivalent attainment rates</td>
<td>2020</td>
<td>On track</td>
<td>The gap is narrowing in Year 12 or equivalent attainment</td>
</tr>
<tr>
<td>Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians</td>
<td>2018</td>
<td>Not on track</td>
<td>Decline in employment outcomes since 2008 baseline</td>
</tr>
<tr>
<td>New target – Close the gap between Indigenous and non-Indigenous school attendance with 5 years</td>
<td>2018</td>
<td>Baseline 2014</td>
<td></td>
</tr>
</tbody>
</table>

From Prime Minister's 2015 Report on Closing the Gap

New targets

Mental health

There is an inequality in mental health between Indigenous and non-Indigenous Australians that starts from an early age. This needs to be a priority for research, preventive action and health services. Reducing suicide and suicidal behaviour among Indigenous people is described as a public health priority for all Australian governments.


The review of mental health services conducted by the National Mental Health Commission describes Indigenous mental health as ‘dire’.76 It's a dominant over-arching theme throughout the report, and there is a recommendation to make Indigenous mental health a national priority and agree an additional COAG Closing the Gap target for mental health.

Justice / Incarceration rates

Imprisonment rates for Indigenous Australians are around 15 times that of the general population and the rate for Indigenous youth is 24 times that for non-Indigenous youth. One in every two juveniles in detention is Indigenous. Between 2000 and 2013 the adult Indigenous imprisonment rate increased 57%, widening the gap, as the non-Indigenous rate showed no significant change.77

The sector has called for a justice target to help lower the number of Indigenous people being incarcerated while tackling Indigenous victimisation.78 The Close the Gap campaign has queried why setting targets is seen as a legitimate tool in closing gaps in many areas of Indigenous disadvantage, but not in the justice sector.79


