

Funding of Indigenous-run groups plummeted over past nine years

Australian funding to other organisations earmarked as Indigenous spending has increased by one third



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The proportion of funding that goes directly to Indigenous-run organisations has fallen over the past nine years, while funding to other organisations that is earmarked as Indigenous spending has increased by one third.

Australian governments spent an estimated \$33.4bn on programs and services delivered to Indigenous Australians in 2015-16, according to the Indigenous expenditure report 2017 released by the Productivity Commission on Thursday.

That equated to \$44,886 per Aboriginal and Torres Strait Islander person, compared with an average funding spend of \$22,356 per person for non-Indigenous Australians.

Of the Indigenous expenditure, \$27.4bn, or 82%, went toward general services, including schools and hospitals. The remaining \$6bn went toward Indigenous-specific targeted programs and services.

The proportion of total Indigenous expenditure devoted to Indigenous-specific programs and services has fallen from 23% in 2008-2009 to 18% in 2015-16. That is due to an increase in funding for mainstream services, which is included in the overall Indigenous expenditure, which increased by 77.5% over the same period.

The report comes as the federal government is preparing to reset the Closing the Gap targets, which were established in 2008.

The social researcher Eva Cox said the decreased portion of targeted Indigenous funding was concerning. “We do know that Indigenous-specific services do tend to deliver on outcomes,” she told Guardian Australia.

Cox said the focus should not be on how much money was spent but on where and how it was spent, and which organisations received the funding.

Indigenous expenditure accounts for 6% of total expenditure, while Indigenous Australians make up 3.2% of the population. That was an understandable and necessary concentration of funding, Cox said, because it addressed an area of higher need.

“It’s obvious if we are going to deal with a population that is isolated and has entrenched levels of disadvantage then it’s going to cost us more,” she said. “And it should cost us more money but it should be well spent.”

She said the implication from successive government reports, including a damning Australian National Audit Office report on the federal government’s flagship Indigenous advancement strategy, was that money had not been well spent.

“Continuing to spend the money does not necessarily mean that the services are well thought out, well-placed, or well-delivered,” she said.

Melbourne University researcher Elise Klein said targeted funding was necessary to address structural disadvantages faced by vulnerable groups.

“Just to direct funds towards Indigenous programs isn’t enough,” Klein said. “It again matters the kinds of programs that are being funded – just because they say they are doing good doesn’t mean they are. It also matters about who is delivering the programs as there has been a dramatic decrease (and in some cases cessation) of funding to Indigenous community organisations.

“For example only 46% of organisations funded under the Indigenous advancement strategy are Indigenous – receiving only 55% of the total funding.”

The Northern Territory had the highest rate of targeted Indigenous funding nationally, with \$20,348 of the \$65,929 spent per person directed toward Indigenous-specific services. The Territory also had the highest per person spending, because of higher levels of chronic need and the greater cost of delivering services to remote areas.

Of the bigger states, New South Wales and Queensland directed the lowest proportion of funding toward Indigenous-specific services, with 12% and 15% respectively.

However, both states had the highest overall Indigenous expenditure, with NSW spending \$9bn, or \$38,452 per person, while Queensland spent \$8.5bn or \$40,350 per person.