

Most groups funded under Indigenous advancement strategy non-Indigenous

Of the \$4.9bn available, ‘about half’ was allocated to existing programs before the first application round opened, Senate inquiry hears



Mick Gooda: ‘If we are to have confidence, we must understand the process.’ Photograph: Alan Porritt/AAP

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More than half the organisations granted funding under the Indigenous advancement strategy are non-Indigenous, a Senate inquiry has been told.

Of the \$4.9bn available, “about half” had already been allocated to existing programs before the first IAS application round opened, the Department of Prime Minister and Cabinet told the inquiry.

The [Senate standing committee is examining](#) the “impact on service quality, efficiency and sustainability” of the IAS after [widespread confusion and dissatisfaction](#) at the announcement of successful applications in March. The inquiry has received and published 58 submissions, with varying views.

In its submission the department defended the tender process and provided funding breakdowns, including that 45% of the organisations granted funding were Indigenous.

The Greens senator Rachel Siewert said it added “insult to injury” after the confusing process.

“The clear message from community members and stakeholders was that they wanted genuine conversations with the government, they want to run their own services and decide their own fate,” Siewert said.

However on Tuesday afternoon the minister for Indigenous affairs, Nigel Scullion, dismissed Siewert's comments, and said the 45% was an increase on previous levels of about 30%.

“This increase in the number of Indigenous organisations reflects my desire and commitment to ensure as much as possible, services are delivered by Indigenous organisations which we know are more likely to employ Aboriginal and Torres Strait Islander people,” Scullion said in a statement.

“They are also much closer to and in-tune with the communities they serve.”

Scullion said many non-Indigenous organisations provide services and employment opportunities to Indigenous people.

In its submission to the inquiry, the department also revealed while \$4.9bn was allocated in the federal budget over four years, “approximately half” was already tied up in “dedicated funding arrangements” before the tender process began.

These included contracts which predated IAS such as the remote jobs and communities program and working on country programs.

Extending the assessment process owing to the overwhelming response also took further money from the pool as the government continued to fund more than 900 services which had been set to expire in the interim, leaving \$2bn eventually available for applications.

Of that, \$860m was committed in the first year, and some funding was set aside for demand-driven applications and to fill gaps identified during negotiations. The IAS has since allocated \$20.5m to youth services in the [Northern Territory](#).

In its submission the department acknowledged the IAS was a “significant shift for government” but said its introduction was “an opportunity to better target investment to three key government priorities of getting children to school, adults into work and making communities safer”.

“While the IAS funding round has been a significant undertaking particularly for Indigenous communities and the service sector, it has for the first time in at least a decade enabled government to look holistically at the suite of activities being delivered at both a sectorial and regional level.”

The department said it offered certainty to service providers as more than half the successful applicants had been offered funding contracts for two years or longer.

The Aboriginal and Torres Strait Islander social justice commissioner, Mick Gooda, said in his submission “respectful engagement with Aboriginal and Torres Strait Islander peoples regarding these significant changes was conspicuous by its absence”.

He said many questions remain unanswered, including the amount of funding to each organisation, how it compared with what was requested, the period of contract granted, and which organisations lost funding altogether.

Gooda said the IAS “marked a shift to a competitive tender process” for unsuspecting organisations, and suggested it could have a negative impact on Indigenous-controlled organisations.

“If Aboriginal and Torres Strait Islander peoples are to have confidence in these outcomes, we must be able to understand the process,” he wrote.

Having got “many calls” after the announcement of the process, Gooda said some organisations did not have the capacity to put together the complicated applications, a suggestion also made by the – otherwise largely supportive – North Australian Aboriginal Family Violence Legal Service.

Other organisations hired expensive consultants, and uncertainty led others to believe they did not fit the criteria, said Gooda.

The Community Council for Australia said it did not support historical funding models but criticised the IAS process for limited consultation, “top-down imposition of requirements” and apparent disregard or lack of knowledge about the realities of running services.

It said the IAS’s attempt to improve the “dog’s breakfast” of human service contracting was “undermined by the way this task was approached” including failing to heed recommendations from the productivity commission.

Using drastically [reduced federal funding](#), the IAS sought to streamline myriad Indigenous funding arrangements into five key programs: jobs, land and economy; children and schooling, which received a third of funding; safety and wellbeing, which received nearly half ; culture and capability; and remote Australia strategies.

Geographically, the largest share went to eastern New South Wales (18%), which has a quarter of Australia’s Indigenous population, followed by greater [Western Australia](#) (13%) and the Top End and Tiwi Islands region (11%). A 10th of the funding went to central Australia.

“Regions in more remote areas attracted a greater share of IAS funding than their share of the Indigenous population reflecting relative need,” the submission said.

The department is continuing negotiations with applicants and will have 14 days to publish the final details once each is completed.