5 February 2016

Submission to the Department of the Treasury

2016-17 Commonwealth Budget
Introduction

Reconciliation Australia is the national organisation promoting reconciliation between the broader Australian community and Aboriginal and Torres Strait Islander peoples. Our vision is to build an Australia that is reconciled, just, and equitable for all. To do so, we are dedicated to building relationships, respect and trust between Aboriginal and Torres Strait Islander peoples and other Australians. We believe a reconciled Australia is one where:

- Positive two-way relationships built on trust and respect exist between Aboriginal and Torres Strait Islander and non-Indigenous Australians throughout society.
- Aboriginal and Torres Strait Islander Australians participate equally and equitably in all areas of life—i.e. we have closed the gaps in life outcomes—and the distinctive individual and collective rights and cultures of Aboriginal and Torres Strait Islander peoples are universally recognised and respected—i.e. Aboriginal and Torres Strait Islander people are self-determining.
- Our political, business and community institutions actively support all dimensions of reconciliation.
- Aboriginal and Torres Strait Islander histories, cultures and rights are a valued and recognised part of a shared national identity and, as a result, there is national unity.
- There is widespread acceptance of our nation’s history and agreement that the wrongs of the past will never be repeated—i.e. there is truth, justice, healing and historical acceptance.

These goals are used to measure Australia’s progress in five dimensions of reconciliation:

- race relations
- equality and equity
- institutional integrity
- unity
- historical acceptance.

Government investment in Aboriginal and Torres Strait Islander affairs has been crucial to moving the nation closer to these goals. As the nation looks toward another significant reconciliation milestone—a referendum to recognise Aboriginal and Torres Strait Islander peoples in the Australian Constitution—continued investment into all five dimensions of reconciliation is critical to ensure future gains are meaningful and substantial. The five dimensions do not exist in isolation. They are interrelated and Australia can only achieve full reconciliation if we make progress in all five areas.

In the first section of this submission, Reconciliation Australia will discuss the importance of respectful and sustained engagement with Aboriginal and Torres Strait Islander peoples, their representative bodies and organisations. For the Federal Government, this means ensuring that approaches to policy and program development are based on local and holistic approaches; long-term approaches supported by sustained and adequate funding; and evidence-based policies.

This year marks the tenth anniversary of the NGO led Close the Gap campaign. As such, the second section of this submission calls on the Federal Government to recommit to the Closing the Gap on Indigenous Disadvantage framework. This includes renewing investments and agreements with States and Territories to meet the Closing the Gap targets in consultation with Aboriginal and Torres Strait Islander organisations. The gaps between Aboriginal and Torres Strait Islander and non-Indigenous life expectancy, education and employment outcomes still remain a major setback to a robust Australian economy. As such, an all-of-government approach is needed and we ask for Federal Government leadership.
Summary of Recommendations

Reconciliation Australia recommends the Federal Government:

**Recommendation 1:** Maintain a national, independent and representative voice for Aboriginal and Torres Strait Islander peoples through funding the National Congress of Australia’s First Peoples until the organisation is self-sustaining.

**Recommendation 2:** Continue to fund sector peak bodies that represent Aboriginal and Torres Strait Islander professionals and community-controlled services, including funding for Indigenous Education Consultative Bodies.

**Recommendation 3:** Clearly prioritise Aboriginal and Torres Strait Islander organisations, or partnerships between Aboriginal and Torres Strait Islander organisations and non-Indigenous organisations for future funding under the Indigenous Advancement Strategy.

**Recommendation 4:** Revise Indigenous Advancement Strategy guidelines to remove the condition that organisations receiving over $500,000 in funding must be incorporated under Commonwealth legislation only.

**Recommendation 5:** Continue to fund a process to develop a model to meaningfully and substantially recognise Aboriginal and Torres Strait Islander peoples in the Constitution, including funding Aboriginal and Torres Strait Islander only conventions. The model must be supported by Aboriginal and Torres Strait Islander peoples, and the Australian community more generally, before proceeding to a referendum.

**Recommendation 6:** Fund the development and implementation of a national strategy to implement the United Nations Declaration on the Rights of Indigenous Peoples.

**Recommendation 7:** The Federal Government recommit to the *Closing the Gap on Indigenous Disadvantage* framework and take a leadership role to renew investments and agreements with States and Territories to meet the *Closing the Gap* targets in consultation with Aboriginal and Torres Strait Islander organisations.

Such agreements and investments should include:

- Funding for the *National Aboriginal and Torres Strait Islander Health Plan Implementation Plan* until it expires in 2023.
- Funding for the development and implementation of a dedicated Aboriginal and Torres Strait Islander mental health plan.
- Funding to continue the implementation of the *National Anti-Racism Strategy 2010-2020*.
- Funding for the development and implementation of a national, holistic and whole-of-government strategy to address Aboriginal and Torres Strait Islander imprisonment rates.
- Funding for the development and implementation of a national, holistic and whole-of-government strategy to address the number of Aboriginal and Torres Strait Islander children in out-of-home care, including renewed funding for Aboriginal Children and Family Centres.
- Expanding the Disability Support Organisations model to ensure culturally competent and appropriate engagement with Aboriginal and Torres Strait Islander communities in the implementation of the National Disability Insurance Scheme.
Section 1: Respectful and sustained engagement with Aboriginal and Torres Strait Islander peoples

For the Federal Government to sustain respectful engagement with Aboriginal and Torres Strait Islander peoples, it is critical that support is provided to maintain a national, independent and representative voice for Aboriginal and Torres Strait Islander peoples, as well as national sector peak bodies that represent Aboriginal and Torres Strait Islander professionals and community-controlled services. The National Congress of Australia’s First Peoples (the Congress) is the only nationally representative body for Aboriginal and Torres Strait Islander people, however it did not receive funding in the Federal Government 2015-16 Budget. The lack of ongoing funding impacts the ability of the Congress to effectively represent Aboriginal and Torres Strait Islander peoples, and subsequently the ability of the Federal Government to engage respectfully with First Nation’s Peoples. Similarly, the future of national sector peak bodies, such as Indigenous Education Consultative Bodies (IECB), still remains uncertain, having also missed out on funding in the Federal Government Budget 2015-16. IECBs have been supported by successive federal governments in recognition that the involvement of Aboriginal and Torres Strait Islander people in educational decision making is critical to achieving sustainable improvements in education outcomes for Aboriginal and Torres Strait Islander children.

In the absence of sufficient support for such organisations, the Federal Government’s ability to sustain respectful engagement with Aboriginal and Torres Strait Islander peoples has been mixed throughout 2015. The sustained levels of funding for Aboriginal and Torres Strait Islander affairs in the Federal Government 2015-16 Budget represented a positive step. In addition, the reversal of funding cuts to Aboriginal and Torres Strait Islander Legal Services in March 2015 demonstrated the Federal Government’s capacity to listen to Aboriginal and Torres Strait Islander peoples. Reconciliation Australia also commends ongoing funding for national sector peak bodies such as the National Aboriginal Community Controlled Health Organisation (NACCHO) and the Secretariat of National Aboriginal and Islander Child Care (SNAICC). However, this went little way to ‘addressing the uncertainty, upheaval and cuts in Indigenous Affairs’ resulting from the Federal Government 2014-15 Budget.1 Ensuring that representative bodies are adequately resourced is a first step to overcoming this uncertainty.

**Recommendation 1:** Maintain a national, independent and representative voice for Aboriginal and Torres Strait Islander peoples through funding the National Congress of Australia’s First Peoples until the organisation is self-sustaining.

**Recommendation 2:** Continue to fund sector peak bodies that represent Aboriginal and Torres Strait Islander professionals and community-controlled services, including funding for Indigenous Education Consultative Bodies.

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**Funding for Aboriginal and Torres Strait Islander organisations**

Respectful and sustained engagement with Aboriginal and Torres Strait Islander peoples also depends on adequate, long-term resourcing of Aboriginal and Torres Strait Islander service delivery organisations. This means prioritising Aboriginal and Torres Strait Islander organisations, or partnerships between Aboriginal and Torres Strait Islander organisations and non-Indigenous organisations, in tendering processes. It also means removing barriers to
Aboriginal and Torres Strait Islander organisations participating in tendering processes, such as the condition under the Indigenous Advancement Strategy (IAS) that organisations receiving over $500,000 in funding must be incorporated under Commonwealth legislation only.

Based on Reconciliation Australia’s experience conducting the Indigenous Governance Awards over the last 10 years, we know that there are many diverse and innovative models of Aboriginal and Torres Strait Islander governance that deliver positive outcomes across Australia. These models include very effective, culturally appropriate, transparent and accountable governance mechanisms that in some cases do not fit neatly into western legislation structures or lend themselves to direct incorporation under Commonwealth legislation. Often these organisations are the life blood of their communities, delivering critical services in ways mainstream organisations cannot. Aboriginal and Torres Strait Islander organisations employ and train local people, provide purpose, structure and stability to their communities and empower Aboriginal and Torres Strait Islander people to take control of their own lives. Evidence shows that effective programs and policies that are created and delivered through community enfranchisement, empowerment and capacity building, ultimately lead to cost-effective and sustainable outcomes.

The IAS reforms have the potential to improve the effectiveness and efficiency of funding in Aboriginal and Torres Strait Islander affairs. However, until now, the implementation processes and communications of the IAS have caused confusion and anxiety. The announcement of major reforms to Aboriginal and Torres Strait Islander affairs, while also cutting $534.4 million from Aboriginal and Torres Strait Islander affairs in the 2014–15 Budget, caused concern. The subsequent IAS tendering process did little to relieve this uncertainty and anxiety. On 4 March 2015, the Federal Government announced the results of the first funding round under the IAS. It emerged that only 41 per cent of applications were successful and less than 50 per cent of successful applicants were Aboriginal or Torres Strait Islander organisations. The majority were larger mainstream NGOs, corporate organisations, and government departments. Not surprisingly, the IAS tendering process was referred to the Senate’s Finance and Public Administration References Committee for inquiry in March 2015. The Committee, who were originally due to report on their findings on 18 June 2015, is yet to deliver its report. It is crucial that the 2016-17 budget addresses the confusion and anxiety caused to date, so that Aboriginal and Torres Strait Islander service delivery organisations are able to get on with delivering essential services in their communities.

**Recommendation 3:** Clearly prioritise Aboriginal and Torres Strait Islander organisations, or partnerships between Aboriginal and Torres Strait Islander organisations and non-Indigenous organisations for future funding under the Indigenous Advancement Strategy.

**Recommendation 4:** Revise Indigenous Advancement Strategy guidelines to remove the condition that organisations receiving over $500,000 in funding must be incorporated under Commonwealth legislation only.

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**Constitutional recognition**

Leading up to a referendum to recognise Aboriginal and Torres Strait Islander peoples in the Constitution, it is essential that a model is developed that is supported by Aboriginal and Torres Strait Islander peoples. Simultaneously, a public awareness campaign must continue to

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achieve broader public support before proceeding to a referendum. To achieve Aboriginal and Torres Strait Islander support the Federal Government overall made positive headway in 2015. The establishment of the Referendum Council in November 2015 was a positive step to ensure the continuity of the important work undertaken by the Expert Panel on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples. However, without an independent process for Aboriginal and Torres Strait Islander people to reach a position of consensus, the Federal Government should take note of warnings that “a referendum council and community conferences will be unlikely to produce the necessary engagement, understanding and consensus amongst Indigenous Australians”. Despite initial resistance, the Federal Government’s in principal support for a series of Aboriginal and Torres Strait Islander only conferences in 2016 is a welcome development. This support must now be matched with adequate funding to allow Aboriginal and Torres Strait Islander people the opportunity to fully participate within such a process. Simultaneously, funding must continue for a public awareness campaign until there is broad support from the general public.

Recommendation 5: Continue to fund a process to develop a model to meaningfully and substantially recognise Aboriginal and Torres Strait Islander peoples in the Constitution, including funding Aboriginal and Torres Strait Islander only conventions. The model must be supported by Aboriginal and Torres Strait Islander peoples, and the Australian community more generally, before proceeding to a referendum.

The United Nations Declaration on the Rights of Indigenous Peoples

Reconciliation Australia agrees with repeated calls of the Australian Human Rights Commission and the National Congress of Australia’s First Peoples for the development of a National Implementation Strategy to give effect to the United Nations Declaration on the Rights of Indigenous Peoples (the Declaration) in Australia. Such a plan must be adequately funded and outline actions to embed the Declaration in activities by all sectors of society; governments, civil society, the private sector and Aboriginal and Torres Strait Islander communities. Failure to comply with international standards outlined in the Declaration not only impacts the Federal Government’s ability to respectfully engage with Aboriginal and Torres Strait Islander peoples, it also exposes Australia to international criticism.

Reconciliation Australia welcomes the Federal Government’s announcement to seek election to the United Nations Human Rights Council for the 2018-2020 term. To successfully seek election, the Federal Government will need to respond to criticisms raised during Australia’s second periodic review by the United Nations Human Rights Council in November 2015. During the review, over 100 countries put forth recommendations to Australia, and over half of these related to Indigenous rights. Recommendations relating to constitutional recognition, consultation with Indigenous communities and reducing inequality in health, education and employment were common. Domestically, mandatory sentencing laws in Western Australia, paperless arrest powers in the Northern Territory, as well as ongoing uncertainty around the Western Australian Government’s decision to close 150 remote Aboriginal communities are just a few topics that have continued to face widespread criticism in 2015, including by the Aboriginal and Torres Strait Islander Social Justice Commissioner in his 2015 report.

Recommendation 6: Fund the development and implementation of a national strategy to implement the United Nations Declaration on the Rights of Indigenous Peoples.

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5 https://theconversation.com/un-review-puts-australia-on-the-spot-over-human-rights-record-50389
Section 2: Renewing focus on Closing the Gap

The gap between Aboriginal and Torres Strait Islander and non-Indigenous life expectancy, education and employment outcomes still remains a major setback to a robust Australian economy. Research by Deloitte Access Economics, commissioned by Reconciliation Australia, shows there is a strong economic incentive to close the gap between Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians in the above areas. The research shows that if gaps in life expectancy, employment and education were closed by 2031, the Australian economy would be more than 1.15 per cent larger—a gain of $24.3 billion in 2012–13 dollars.7

This year marks the tenth anniversary of the NGO led Close the Gap campaign, and we are starting to see promising results from the Council of Australian Governments’ (COAG) coordinated and targeted Closing the Gap on Indigenous Disadvantage agreements developed in 2008. Life expectancy for Aboriginal and Torres Strait Islander peoples is increasing; fewer Aboriginal and Torres Strait Islander babies are dying at birth; more young children have access to early childhood education; and more Aboriginal and Torres Strait Islander students are finishing high school. However, despite these improvements, the gap in life expectancy between Aboriginal and Torres Strait Islander Australians and non-Indigenous Australians is still large; Aboriginal and Torres Strait Islander people are more likely to live in disadvantaged neighbourhoods; the number of Aboriginal and Torres Strait Islander men and women in prison has increased dramatically; the gap in employment outcomes has widened; and Aboriginal and Torres Strait Islander children have far lower levels of literacy and numeracy.

In 2016, many of the agreements between Australian governments under the Closing the Gap framework have ended or are coming towards a close, therefore it is crucial that new agreements are developed (with matching investment) to meet the Closing the Gap targets in consultation with Aboriginal and Torres Strait Islander organisations. An all-of-government approach is needed and we ask for Federal Government leadership.

Health

The development of the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (2013 – 2023) in 2015 is an example of a positive step toward renewing agreements across all levels of government. The next step is to ensure agreements such as this are matched with investment. Reconciliation Australia supports the call of the Close the Gap campaign for all political parties to make Aboriginal and Torres Strait Islander health and wellbeing a major priority for their election policy platforms, and to fund the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (2013 – 2023) until it expires in 2023.

To complement the Implementation Plan for the National Aboriginal and Torres Strait Islander Health Plan (2013 – 2023), Reconciliation Australia also supports recommendations for the development of a dedicated Aboriginal and Torres Strait Islander mental health plan. Currently, a number of national strategic documents relating to Aboriginal and Torres Strait Islander mental health are in the late development, or pending implementation stage. This provides a unique window of opportunity to coordinate implementation of investments in a way that is supported by Aboriginal and Torres Strait Islander organisations. There is an opportunity to develop a dedicated action plan that:

is based on the implementation of the renewed National Strategic Framework for Aboriginal and Torres Strait Islander Peoples’ Mental Health and Social and Emotional Wellbeing 2014 - 2019 currently in development

is developed to complement the National Aboriginal and Torres Strait Health Plan Implementation Plan released in July 2015

is coordinated with the implementation of the National Aboriginal and Torres Strait Islander Suicide Prevention Strategy (2013), and the National Aboriginal and Torres Strait Islander Peoples’ Drug Strategy 2014-2019 as well as mainstream mental health policy.\(^8\)

One in three deaths across the country among Aboriginal and Torres Strait Islander people aged 15 to 35 is due to suicide.\(^9\) As such, closing the mental health gap can be expected to make a critical contribution to achieving the COAG Closing the Gap target to close the gap in life expectancy by 2030. Reconciliation Australia welcomes recent responses from the Federal Government to the 2014 National Mental Health Commission’s report Contributing Live, Thriving Communities – Review of Mental Health Programmes and Services. The Turnbull Government included an additional $85 million to be set aside over three years to provide greater access to mental health services for Aboriginal and Torres Strait Islander Australians, and Minister Nigel Scullion also pledged $1 million to set up a ‘critical response’ project to tackle Aboriginal and Torres Strait Islander suicide in Western Australia. Both streams of funding represent much needed investment by the Federal Government. A unique opportunity now exists to allocate this funding in line with strategies developed in close consultation with Aboriginal and Torres Strait Islander organisations.

Racism

To support progress toward closing the gap targets, Reconciliation Australia recommends continued investment to overcome racism in all sectors of the community. This should include ongoing funding for the implementation of the National Anti-Racism Strategy 2010 – 2020 (the Strategy). The Australian Human Rights Commission was funded $1.7 million over four years to develop and implement the Strategy, and in July 2015 handed down its evaluation of the Strategy and accompanying public awareness campaign, Racism. It Stops With Me. The evaluation report demonstrates that the Commission has done ‘a lot with a little’ by creating a network of partners and supporters taking action against racism and encouraging communities to use the campaign to support their individual and organisational efforts.\(^10\) Reconciliation Australia’s 2014 Australian Reconciliation Barometer shows that incidents of racism experienced amongst Aboriginal and Torres Strait Islander people are still reported at unacceptably high levels.\(^11\) Racism can lead to anxiety, depression, suicide risk and overall poor mental health. Links are also emerging between racism and diabetes, obesity, high blood pressure, and drug and alcohol abuse among Aboriginal and Torres Strait Islander peoples. Racism also negatively influences the education, employment and incarceration rates of Aboriginal and Torres Strait Islander peoples. The Closing the Gap Clearinghouse cites racism as one of the multifaceted causes of lower Aboriginal and Torres Strait Islander employment.

\(^8\) Dudgeon, P, Calma, T and Holland, C, 2015, Future Directions In Aboriginal And Torres Strait Islander Social And Emotional Wellbeing, Mental Health And Related Areas Policy


rates. Discrimination also influences Aboriginal and Torres Strait Islander peoples’ attendance and achievement at school, and many researchers report that schools with an inclusive and safe environment, free from racism, are more likely to have higher attendance and retention.

New priorities for the Closing the Gap framework

Reconciliation Australia also supports the inclusion of new targets within the Closing the Gap framework, to be matched with corresponding agreements and investment. Firstly, Reconciliation Australia supports the call for the inclusion of justice targets within the Closing the Gap framework. The NGO sector, as represented by the Change the Record Coalition (the Coalition), has continued the call for the inclusion of justice targets as well as a national, holistic and whole-of-government strategy to achieve targets. The Coalition has outlined a number of policy principals in their Blueprint for Change to guide all levels of government in closing the gap in rates of imprisonment. These include investing in communities, not prisons; recognising that local communities have the answers; services, not sentences; and community-oriented policing to name a few. Incarceration rates of Aboriginal and Torres Strait Islander peoples have now reached crisis levels in Australia. In 2015, Amnesty International reported that Aboriginal and Torres Strait Islander youth are now placed in juvenile detention at an alarming 24 times the rate of non-Indigenous youth, and latest Australian Bureau of Statistics data reveals that Aboriginal and Torres Strait Islander adults are incarcerated at 13 times the rate of non-Indigenous Australians. Research shows that when a large number of people are imprisoned, communities are made weaker; communities are disrupted, social norms are weakened, and formal and informal social controls are lost.

Reconciliation Australia also supports the recommendation of the Aboriginal and Torres Strait Islander Social Justice Commissioner to include child welfare targets in the Closing the Gap framework to reduce the overrepresentation of Aboriginal and Torres Strait Islander peoples within the child protection system. The child welfare sector, as represented by the Family Matters – Kids Safe in Culture, Not in Care initiative, has been able to mobilise forums in some states and territories, but a national, whole-of-government strategy to address out-of-home care rates is yet to be properly resourced. In addition, Aboriginal and Torres Strait Islander community controlled early learning services face numerous federal funding challenges. Federal funding for the 38 Aboriginal Children and Family Centres (ACFCs) was discontinued in July 2014, and the Productivity Commission’s 2015 report into early childhood education and care recommended that the Budget Based Funding (BFF) services be, within a few years, shifted to a user-pays mainstream funding model. A mainstream funding approach – such as through the Child Care Benefit scheme, will not work for BFF services as it is not a feasible or appropriate model through which to provide culturally-strong early childhood education and care programs for families and communities experiencing entrenched disadvantage.

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are community-driven hubs that provide high quality early childhood services to Aboriginal and Torres Strait Islander children. Importantly, ACFCs also provide critical support for vulnerable families to access an array of integrated services that significantly improve the safety, health and wellbeing of families and communities. Access to these integrated services is essential to reducing the rate of Aboriginal and Torres Strait Islander children in out-of-home care, which has more than tripled since the Bringing them home report was delivered in 1997 following the National Inquiry into the Separation of Aboriginal Children from their Families.\(^{19}\)

Finally, Reconciliation Australia also supports recommendations to include a target within the Closing the Gap framework to increase Aboriginal and Torres Strait Islander peoples’ access to the National Disability Insurance Scheme (NDIS). Specifically, the Federal Government should look to expand the Disability Support Organisations (DSOs) model to ensure culturally competent and appropriate engagement with Aboriginal and Torres Strait Islander communities is included in the implementation of the NDIS. DSOs are funded by the NDIS to assist NDIS participants, and their families and carers, to engage with the NDIS by providing information and support. So far, 18 community organisations, including the First Peoples Disability Network and the Aboriginal Disability Network NSW have been funded to act as DSOs. The Social Justice and Native Title Report 2015 describes disability as an issue that has ‘fallen through the cracks’ of the Aboriginal and Torres Strait Islander landscape. Significantly, for the Closing the Gap targets and the IAS, severe and profound disability in particular is associated with both lower educational attainment and higher rates of unemployment. The data suggests that any attempt to improve outcomes in these areas will need to substantially address disability as a determinant of lower educational attainment and unemployment, as well as being a significant contributor to the health equality gap.\(^{20}\)

**Recommendation 7:** The Federal Government recommit to the Closing the Gap on Indigenous Disadvantage framework and take a leadership role to renew investments and agreements with States and Territories to meet the Closing the Gap targets in consultation with Aboriginal and Torres Strait Islander organisations.

Such agreements and investments should include:

- Funding for the National Aboriginal and Torres Strait Islander Health Plan Implementation Plan until it expires in 2023.
- Funding for the development and implementation of a dedicated Aboriginal and Torres Strait Islander mental health plan.
- Funding to continue the implementation of the National Anti-Racism Strategy 2010-2020.
- Funding for the development and implementation of a national, holistic and whole-of-government strategy to address Aboriginal and Torres Strait Islander imprisonment rates.
- Funding for the development and implementation of a national, holistic and whole-of-government strategy to address the number of Aboriginal and Torres Strait Islander children in out-of-home care, including renewed funding for Aboriginal Children and Family Centres.
- Expanding the Disability Support Organisations model to ensure culturally competent and appropriate engagement with Aboriginal and Torres Strait Islander communities in the implementation of the National Disability Insurance Scheme.

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\(^{20}\) Close the Gap Campaign Steering Committee 2016, *Progress and priorities report 2016*