Estimating Northern Territory Government program expenditure for Aboriginal people: problems and implications

D.E. Smith

No.30/1992

ISSN 1036-1774
ISBN 0 7315 1481 5
SERIES NOTE

The Centre for Aboriginal Economic Policy Research (CAEPR) was established in March 1990 under an agreement between the Australian National University and the Commonwealth of Australia (Aboriginal and Torres Strait Islander Commission). In accordance with the Agreement, CAEPR operates as an independent research unit within the University’s Faculty of Arts. CAEPR’s principle objectives are to undertake research with the following aims:

- to investigate issues relating to Aboriginal employment and unemployment;
- to identify and analyse the factors affecting Aboriginal participation in the labour force; and
- to assist in the development of government strategies aimed at raising the level of Aboriginal participation in the labour force and at the stimulation of Aboriginal economic development.

The Director of the Centre is responsible to the Vice-Chancellor of the ANU and receives assistance in formulating the Centre’s research agenda from an Advisory Committee consisting of senior ANU academics nominated by the Vice-Chancellor and Aboriginal representatives nominated by the Chief Executive Officer of the Aboriginal and Torres Strait Islander Commission and the Secretary of the Department of Employment, Education and Training.

CAEPR DISCUSSION PAPERS are intended as a forum for the dissemination of refereed papers on research that falls within the CAEPR ambit. These papers are produced for discussion and comment within the research community and Aboriginal affairs policy arena. Copies of discussion papers are available from Bibliotech, ANUTECH Pty Ltd, GPO Box 4, Canberra, ACT, 2601 (Phone: 06 249 2479  FAX 06 257 5088).

As with all CAEPR publications, the views expressed in this DISCUSSION PAPER are those of the author(s) and do not reflect an official CAEPR position.

Jon Altman
Director, CAEPR
Australian National University
ABSTRACT

There are currently no administrative mechanisms whereby data relating to State expenditure on programs for Aboriginal people are disaggregated. This paper attempts to assess the existing level of State Government expenditure on both mainstream and specific programs for Aboriginal people. The Northern Territory (NT) is taken as a case study, using the NT Government's own reported expenditure breakdowns for the financial year 1990-91.

NT Government-identified expenditure on Aboriginal people in the functional areas of education, health, social security and welfare, housing, community amenities, recreation, transport and communications, industry development, employment, law and order, and assistance to other levels of government are examined. Government expenditure is disaggregated according to program type: including Aboriginal specific, mainstream with an Aboriginal element, and mainstream with particular relevance to Aboriginal people. The paper highlights a number of methodological problems concerning the various bases on which NT expenditure estimates have been made.

The process of making State Government expenditure more transparent in the area of Aboriginal affairs is extremely difficult. In particular, there are many gaps in data reflecting the absence of procedures and identifiers that facilitate the measurement of budgetary expenditure. Nevertheless, the NT data represents a preliminary step, offering considerable benefits both to government and to Aboriginal people and their representative organisations. The analysis of NT data also has implications for a number of broader policy issues which are considered in the conclusion, including the co-ordinating role of the Aboriginal and Torres Strait Islander Commission, positive versus negative funding, substitution versus supplementation funding, and mainstreaming.

Acknowledgements

This paper was presented at a Centre for Aboriginal Economic Policy Research seminar in November 1992. A number of people contributed invaluable comments on the technical and policy issues raised here. In particular, I would like to thank Jon Altman, Simon Richmond, John Taylor and Neil Westbury. Jon Altman, Linda Roach, Konstantin Probst and Belinda Lim provided expert sub-editing and assistance with final layout.

Diane Smith is Research Fellow at the Centre for Aboriginal Economic Policy Research, Australian National University.
Foreword

In 1991, the Centre for Aboriginal Economic Policy Research published a discussion paper 'Funding allocations to Aboriginal people: the Western Australia case' by W.S. Arthur. In the foreword to that paper, I noted that the focus on Western Australia was not intended as a one-off exercise. In August 1991, the report of a Commonwealth/State/Territory/Local Government Working Party, Achieving Greater Co-ordination of Aboriginal and Torres Strait Islander Programs and Services, was endorsed by the Australian Aboriginal Affairs Council (AAAC) and became publicly available. Subsequently, there has been a great deal of debate, especially in the Northern Territory (NT), about State-level expenditure on Aboriginal and Torres Strait Islander people, a group whose socioeconomic disadvantage is widely recognised.

This discussion paper is the second of two that focus on the Northern Territory as a case study of Federal/State financial relations in Aboriginal affairs. The paper quantifies identifiable expenditure by the NT Government on Aboriginal people. This exercise is based primarily on data provided by the NT Government to the ATSIC-based secretariat that prepared the above-mentioned report, supplemented by other publicly-available information. This approach has recognised shortcomings. For example, methods to assess the Aboriginal component of program expenditure vary considerably, with some being little more than rough estimates. In other cases, no attempt is made to estimate the Aboriginal component of mainstream programs. The 'problems' in the paper's title refers to conceptual difficulties in isolating State-level expenditure on Aboriginal people. The 'implications' in the title refers both to a range of broad policy issues raised by the analysis and to policy questions and answers that could potentially be generated by more accurate data on expenditure on Aboriginal programs and services. The political and policy significance of this issue is demonstrated by the recent decision of the NT Government to again undertake such quantification outside the AAAC context.

The focus on the NT is greatly influenced by the willingness of the NT Government to have data provided to the AAAC published. Diane Smith's paper clearly demonstrates that disaggregating expenditure at the State level by ethnicity (in this case Aboriginality) is an extremely complex task. While this paper is an exploratory first step, it nonetheless begins to address important policy issues that cannot be rigorously examined without quantification.

Jon Altman
Series Editor
November 1992
Commonwealth-State financial relations under Australian federalism are complex and especially so in the area of Aboriginal affairs. Typically, governments have no clear overview of the total state funding situation, let alone that for a region or specific Aboriginal community. This situation is exacerbated by the fact that there are no mechanisms whereby data relating to state expenditure on programs for Aboriginal people are comprehensively disaggregated. Certainly, it is not possible from published documents to trace Commonwealth or State Government expenditure for a range of budgetary functions down to individual communities. A preliminary and prerequisite step in planning to overcome Aboriginal socioeconomic disadvantage is to make data about monies allocated by State Governments for services and programs for Aboriginal people accessible on a continuing basis.

There are of course, critics of such an open approach. On the one hand, governments argue that it is difficult, especially in the area of untied grants and mainstream services, to keep track of actual dollars expended on programs with Aboriginal clients. On the other hand, it is argued that measuring such expenditure data selectively focuses unduly on Aboriginal people. Both arguments help to perpetuate economic inequalities and contribute to the current paucity of information available from administrative and government databases. Aboriginal people and their representative organisations would be better equipped to assess their own service requirements and funding strategies if they had detailed information about the range of monies expended by government at all levels, on Aboriginal-oriented programs and services. Inter and intra-governmental co-ordination and planning of program delivery would likewise be considerably facilitated.

However, the process of accounting for government expenditure on programs for Aboriginal people is highly problematic. The difficulties include determining what range of expenditure should be included (for example, direct expenditure on specific programs; expenditure spread across mainstream services; estimates of administrative costs) and the bases on which expenditure estimates should be made (for example, on actual client use; including the cost of resources directed toward servicing those clients; on the bases of grant distributions; as a straight percentage of total costs proportional to their representation as clients, or within the total population). There are many gaps in data at both the Commonwealth and State level, reflecting the absence of administrative procedures that facilitate, or require, the identification of all government expenditure on Aboriginal people. Lack of clarity over the division of financial responsibility between State and Commonwealth Governments further obscures the financial pathways linking government budgets to program expenditure.
This paper considers the difficulties involved in estimating government expenditure by attempting to assess the existing level of State Government program expenditure on Aboriginal people. The Northern Territory (NT) is taken as a case study, using the NT Government's own reported expenditure on Aboriginal people for the financial year 1990-91. (These data are hereafter referred to as the 'NT data file'.) This financial breakdown is occasionally complemented by data available on direct Commonwealth funding for Aboriginal programs in the NT. The NT data file represents a preliminary and invaluable set of information which estimates expenditure on programs oriented to Aboriginal clients. For this reason, the data and associated program descriptions are set out in the Appendix.

The analysis of expenditure data and associated methodological issues serves to highlight particular policy perspectives currently being debated in the Aboriginal affairs public policy domain. In particular, the significance of the Aboriginal component in state budgetary outlays is assessed, as is the co-ordinating financial role of the Aboriginal and Torres Strait Islander Commission (ATSIC). The issue of positive versus negative funding, where expenditure on certain programs can be judged to compound either a positive outcome or 'rate of return' for clients (for example, employment and education services), or a negative outcome (for example, custodial services), has recently received attention in the context of New Zealand Government expenditure on programs for Maori (Douglas and Dyall 1985). A similar policy issue is apparent with respect to some NT Government budgetary outlays. The complex question of substitution versus supplementation funding has been discussed in the evolving context of Commonwealth-State financial relations in Aboriginal affairs (Altman and Dillon 1986; Australian Aboriginal Affairs Council 1991; ATSIC 1991a; Human Rights and Equal Opportunity Commission 1988). Whether direct Commonwealth expenditure can be identified as supplementary funding, or is in fact substituting for NT program expenditure, is raised by the analysis of expenditure data in this paper. Finally, the contentious and often emotive question of the extent and implications of mainstreaming service provision to Aboriginal people has been examined from a number of perspectives (Altman and Sanders 1991; Commonwealth of Australia 1990: 76-9; Commonwealth of Australia 1991a: 542-64, 1991b: 22-30). Mainstream programs can take a number of different forms with respect to their objectives and service delivery. Some have no Aboriginal focus at all, dealing with all clients on the same access bases; while other mainstream programs have specific Aboriginal elements which may, or may not, be delivered by the same central agency. This matter is discussed with reference to the NT expenditure data.
The Northern Territory case study

The NT has been chosen for study for a number of reasons. Firstly, only in the Territory do Aboriginal people constitute a substantial share of the population (22.4 per cent in 1986; 22.6 per cent in 1991). The 1991 Census counted 39,910 Aboriginal people in the total population of 175,891. Of that Aboriginal population, 69 per cent live in rural areas (Australian Bureau of Statistics (ABS) 1992). This rural population invariably reside at discrete Aboriginal communities which should simplify the assessment of fiscal flows. However, the legacy of Aboriginal affairs inherited by the NT at self-government in 1978 was one of small, culturally conglomerate Aboriginal communities, geographically isolated and administered by a variety of government, welfare and religious interests. In reality, the financial pathways into individual Aboriginal communities and outstations in the Territory are labyrinthine (as they are in all States) and reveal much about the objectives of NT and Commonwealth policy in Aboriginal affairs.

Secondly, the Commonwealth Grants Commission (CGC) determinations upon which Commonwealth revenue payments to the NT are based, have a significant Aboriginal component (Smith 1992). The NT economy is heavily reliant upon Commonwealth funds and especially on this Aboriginal component. Economic development also has a distinctive Aboriginal character. This arises not simply because of the size of the population or its control over Aboriginal land, but also from the documented net benefit to the economy of the Aboriginal contribution to the tourism and arts and crafts industries; the investment of project capital by Aboriginal royalty associations, such as at Kings Canyon and Kakadu National Park; and the regional economic spinoffs accruing from expenditure of monies such as from the Aboriginals Benefit Trust Account (ABTA) grant distributions and mining royalties (see ABTA 1992; Altman 1988, 1989; Crough et al. 1989; Stanley and Knapman 1992).4 This paper attempts to assess the extent to which this Aboriginal component is reflected in the NT Government’s level of expenditure on programs and services for Aboriginal people.

Thirdly, in 1991, when the ATSIC-based Secretariat to the Working Party of the Australian Aboriginal Affairs Council (AAAC) undertook the task of identifying all Commonwealth and State Government expenditure on Aboriginal and Torres Strait Islander programs, the NT Government was the only one willing to provide a breakdown of budget outlays for such programs; to estimate the percentage of mainstream funding earmarked for Aboriginal clients; and to have these data published. This information is not usually made available by State Governments in their budget papers and is usually extremely difficult to obtain. Data provided by the NT and analysed here thus make possible an examination of the methodological
issues that are encountered in attempting to estimate this area of program expenditure. The data also enable an assessment of the overall level of that Government's funding of programs for Aboriginal clients. The NT Government is currently conducting a similar review in which the Treasury is collecting data from all departments on program expenditure on Aboriginal people for the financial year 1992-93.

**An overview Northern Territory Government expenditure**

Government programs for Aboriginal and Torres Strait Islander people take three main forms. There are specific programs developed to suit the special needs of Aboriginal and Torres Strait Islander people. Government departments may also redesign their own mainstream programs to include a specific Aboriginal element aimed to improve access and equality. These elements can often be identified with respect to expenditure attributable to the specific Aboriginal component. There are also mainstream programs that have particular relevance to the Aboriginal and Torres Strait Islander population, but which have not been specially developed or adapted for them. It is extremely difficult to disaggregate the expenditure attributed to Aboriginal clients of the last type of mainstream program. The NT Government was requested by the ATSIC Secretariat to report on program expenditure relating to Aboriginal clients according to these three program types.

The NT's actual budgetary outlay for the year 1990-91 was $1.78 billion (NT Government 1991a: 7). From data made available by the NT Government, its total identifiable program expenditure on Aboriginal clients was $302.5 million (see Table 1). This expenditure represented 17 per cent of its total budgetary outlays. It includes those functional budgetary areas where program expenditure was able to be identified according to varying statistical bases. The estimate excludes expenditure by the NT Aboriginal Areas Protection Authority and also excludes expenditure associated with corporate costs. Nevertheless, the data is wide-ranging and should be seen as concentrating on the program side of government outlays as opposed to administrative or delivery expenditure aspects.

The reported breakdown of this expenditure on programs for Aborigines includes: approximately $106 million expended in the budget area of health; $53 million in housing and community amenities; $46 million in education; $28 million in transport and communications; $27 million in law, order and public safety; $19 million in assistance to other governments; $15 million in social security and welfare and the remaining
Table 1. Northern Territory Government expenditure ($ million) by category, subsidiary programs and type, 1990-91.

<table>
<thead>
<tr>
<th>Broad expenditure category:</th>
<th>Program type</th>
<th>Expenditure ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Batchelor College (higher education)</td>
<td>AS</td>
<td>2.294</td>
</tr>
<tr>
<td>Primary and secondary education</td>
<td>MA</td>
<td>35.062</td>
</tr>
<tr>
<td>School bus transport</td>
<td>M</td>
<td>0.576</td>
</tr>
<tr>
<td>Education (TAFE)</td>
<td>M</td>
<td>8.044</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>45.976</td>
</tr>
<tr>
<td>Health:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural community health</td>
<td>MA</td>
<td>24.977</td>
</tr>
<tr>
<td>Primary health care (urban)</td>
<td>M</td>
<td>4.389</td>
</tr>
<tr>
<td>Hospital services</td>
<td>M</td>
<td>72.170</td>
</tr>
<tr>
<td>Communicable diseases (health)</td>
<td>M</td>
<td>2.780</td>
</tr>
<tr>
<td>Alcohol and other drugs</td>
<td>M</td>
<td>2.065</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>106.381</td>
</tr>
<tr>
<td>Social Security and Welfare:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged disability services</td>
<td>M</td>
<td>7.082</td>
</tr>
<tr>
<td>Family, youth and children's services</td>
<td>M</td>
<td>7.652</td>
</tr>
<tr>
<td>Women's issues - advice to government</td>
<td>M</td>
<td>0.078</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>14.812</td>
</tr>
<tr>
<td>Community Amenities and Housing:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision of water - Aboriginal outstations</td>
<td>AS</td>
<td>2.678</td>
</tr>
<tr>
<td>Town camp housing and infrastructure</td>
<td>AS</td>
<td>6.118</td>
</tr>
<tr>
<td>Provision of power - Aboriginal communities</td>
<td>MA</td>
<td>20.470</td>
</tr>
<tr>
<td>Provision of water - Aboriginal communities</td>
<td>MA</td>
<td>11.412</td>
</tr>
<tr>
<td>Provision of sewerage - Aboriginal communities</td>
<td>MA</td>
<td>3.262</td>
</tr>
<tr>
<td>Serviced land -Aboriginal living areas</td>
<td>MA</td>
<td>5.500</td>
</tr>
<tr>
<td>Maintenance of urban stock</td>
<td>M</td>
<td>1.544</td>
</tr>
<tr>
<td>Acquisition of land and dwellings</td>
<td>M</td>
<td>0.320</td>
</tr>
<tr>
<td>Rates and urban taxes</td>
<td>M</td>
<td>1.524</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>52.828</td>
</tr>
<tr>
<td>Culture and Recreation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal recreation program</td>
<td>AS</td>
<td>0.525</td>
</tr>
<tr>
<td>'Aboriginal Video Magazine' and newspaper</td>
<td>AS</td>
<td>0.567</td>
</tr>
<tr>
<td>Youth recreation</td>
<td>M</td>
<td>0.617</td>
</tr>
<tr>
<td>Vacation care</td>
<td>M</td>
<td>0.042</td>
</tr>
<tr>
<td>Facilities development</td>
<td>M</td>
<td>2.134</td>
</tr>
<tr>
<td>Conservation management, CCNT</td>
<td>M</td>
<td>1.900</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5.785</td>
</tr>
<tr>
<td>Transport and Communications:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial television services</td>
<td>MA</td>
<td>2.000</td>
</tr>
<tr>
<td>Public transport bus services (Darwin/Alice Springs)</td>
<td>M</td>
<td>1.915</td>
</tr>
<tr>
<td>Roads - capital works</td>
<td>M</td>
<td>17.409</td>
</tr>
</tbody>
</table>

Continued over page.
<table>
<thead>
<tr>
<th>Broad expenditure category:</th>
<th>Program type</th>
<th>Expenditure ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiary programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads - Aboriginal essential services</td>
<td>M</td>
<td>6.162</td>
</tr>
<tr>
<td>Driver licensing</td>
<td>M</td>
<td>0.830</td>
</tr>
<tr>
<td>Motor vehicle registration</td>
<td>M</td>
<td>0.166</td>
</tr>
<tr>
<td>Boating safety</td>
<td>M</td>
<td>0.010</td>
</tr>
<tr>
<td>Road Safety Council of the NT</td>
<td>M</td>
<td>0.086</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28.578</td>
</tr>
<tr>
<td>Industry Assistance and Development:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource Development Scheme (REDS)</td>
<td>AS</td>
<td>0.100</td>
</tr>
<tr>
<td>Tourism, NT Tourist Commission (NTTC)</td>
<td>AS</td>
<td>0.196</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>0.296</td>
</tr>
<tr>
<td>Labour and Employment:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training, NT Aboriginal employment and</td>
<td>AS</td>
<td>1.065</td>
</tr>
<tr>
<td>economic development program (NTAEEDP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>1.065</td>
</tr>
<tr>
<td>Law, Order and Public Safety:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal police aide scheme</td>
<td>AS</td>
<td>0.625</td>
</tr>
<tr>
<td>Aboriginal police tracker</td>
<td>AS</td>
<td>0.832</td>
</tr>
<tr>
<td>Royal Commission into Aboriginal Deaths in Custody (RCIADIC)</td>
<td>AS</td>
<td>0.157</td>
</tr>
<tr>
<td>Policing - predominantly Aboriginal</td>
<td>M</td>
<td>2.139</td>
</tr>
<tr>
<td>communities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Policing in urban communities</td>
<td>M</td>
<td>5.141</td>
</tr>
<tr>
<td>Supreme Court of the NT</td>
<td>M</td>
<td>0.555</td>
</tr>
<tr>
<td>Magistrates Court of the NT</td>
<td>M</td>
<td>0.932</td>
</tr>
<tr>
<td>Custodial services (prisons)</td>
<td>M</td>
<td>12.923</td>
</tr>
<tr>
<td>Juvenile detention and justice officers</td>
<td>M</td>
<td>2.704</td>
</tr>
<tr>
<td>Adult conditional liberty</td>
<td>M</td>
<td>1.218</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>27.226</td>
</tr>
<tr>
<td>Assistance to Other Governments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local government, Office of Local Government</td>
<td>M</td>
<td>19.528</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>19.528</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>302.475</td>
</tr>
</tbody>
</table>

a. Program types were divided by the ATSIC Secretariat to the AAAC Working Party into 'Aboriginal specific programs' (AS); 'mainstream programs with a specific Aboriginal element' (MA); and 'mainstream programs with particular relevance to Aboriginal people' (M).

Table 2. Northern Territory Government expenditure (\$ million) on programs for Aborigines by expenditure category and program type, 1990-91.

<table>
<thead>
<tr>
<th>Broad expenditure category</th>
<th>Program type</th>
<th>Total expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aboriginal specific (A)</td>
<td>Mainstream Aboriginal element (MA)</td>
</tr>
<tr>
<td>Health</td>
<td>0.000</td>
<td>24.977</td>
</tr>
<tr>
<td>Community amenities and housing</td>
<td>8.796</td>
<td>40.644</td>
</tr>
<tr>
<td>Education</td>
<td>2.294</td>
<td>35.062</td>
</tr>
<tr>
<td>Social security and welfare</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Culture and recreation</td>
<td>1.092</td>
<td>0.000</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>0.000</td>
<td>2.000</td>
</tr>
<tr>
<td>Industry assistance and development</td>
<td>0.296</td>
<td>0.000</td>
</tr>
<tr>
<td>Labour and employment</td>
<td>1.065</td>
<td>0.000</td>
</tr>
<tr>
<td>Law, order and public safety</td>
<td>1.614</td>
<td>0.000</td>
</tr>
<tr>
<td>Assistance to other government levels</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>Total</td>
<td>15.157</td>
<td>102.769</td>
</tr>
</tbody>
</table>


\$7 million in the culture and recreation, labour and employment, and industry assistance and development budgetary expenditure categories. A breakdown of these broad expenditure areas and subsidiary programs is presented in Table 1.

The greatest proportion of expenditure on programs for Aborigines in 1990-91 was directed to the area of health. This represented 35 per cent of total expenditure on services to Aboriginal people. Expenditure on the two budgetary functions of education, and housing and community amenities, represented approximately one-third of total outlays on Aboriginal people. With health included, the three expenditure categories accounted for 67 per cent of expenditure in this area.

The major part of government expenditure was directed to mainstream programs. Of its total estimated expenditure in 1990-91 of \$302.5 million
oriented to Aboriginal people, the NT Government allocated $287.6 million to mainstream programs; that is, 95 per cent of the total (see Table 2). Of this mainstream program expenditure, approximately 36 per cent was expended via programs which had a specific Aboriginal element, with the remainder expended on programs which the NT Government saw as having particular relevance to Aboriginal clients, but with no specific Aboriginal element to them. Only 5 per cent of the $302.5 million was directed to Aboriginal specific programs, with a major program focus on housing and community amenities. Table 2 presents a detailed breakdown of estimated expenditure on Aborigines by category and program type.

A breakdown of Northern Territory Government expenditure on Aboriginal programs

Summaries of the broad expenditure categories outlined in Tables 1 and 2 are briefly outlined here. Given the uniqueness of the data file, more detailed descriptions of the constituent programs listed in Table 1 are presented in the Appendix. The Appendix also includes discussion of the bases upon which expenditure estimates have been made. All estimates, program titles and explanatory descriptions have been provided by the NT Government and relevant departments. The list of constituent programs within broad expenditure categories is not comprehensive. Nevertheless, it represents a wide coverage of expenditure items.

Health
The NT reported an overall expenditure in the area of health programs servicing Aboriginal clients of $106.4 million in 1990-91. Total overall government expenditure on health was $203 million (NT Government 1991: 8). The expenditure attributed to Aboriginal health programs constituted 52.4 per cent of this total expenditure and 47.9 per cent of the NT Department of Health and Community Services (DHCS) budget in 1990-91.

While some estimations of expenditure for this budget category are based on counts of Aboriginal client use (for example, hospital admissions and grant recipients), other expenditure data are assertions of proportional use by Aboriginal people for which no detailed explanation is provided. Clearly, some program expenditures are more easily accounted for when client use has been recorded (as in hospital admissions), or when the clients for a service are overwhelmingly Aboriginal because of geographic location. Even then, estimates for the same program and financial year can vary considerably (see communicable diseases program in the Appendix). The basis upon which estimates are made can significantly alter the resulting expenditure level. Even higher expenditure may have been attributable to hospital services if data other than, or as
well as, admission rates were used; for example, number of days of bed occupancy, or number of pathologies presented by each individual upon admission.5

In its submission to the CGC, the NT Government (1991b, 1991c) noted the difficulties faced in arriving at an accurate means of apportioning expenditure within health programs. Even so, in the same submission the NT presented a series of expenditure data at the program level, for the area of Aboriginal health, as part of its argument to have the CGC consider the additional health needs of Aboriginal people and accordingly, the associated higher service delivery costs involved. Clearly, in some program areas with high Aboriginal use, expenditure estimates could be based not only on the number of clients, but also on estimates of additional resource and administrative costs activated by such client needs. The NT Government (1991c: 73) also calculated that there is a significant difference in these costs between urban and remote/rural areas, with the per capita expenditure in rural areas exceeding that of urban areas by a factor of 8.3. Accordingly, increased program expenditure may not necessarily reflect a higher level of servicing (in terms of a greater range or standard of services, or even of client use), but rather the higher costs of delivering the same, or even a lesser quality service.

Community amenities and housing

The NT Government estimated that it spent $8.8 million on Aboriginal specific housing and community amenities programs in 1990-91; $40.6 million on mainstream programs that had specific Aboriginal elements; and $3.4 million on mainstream programs that were said to have particular relevance to Aboriginal people; a total of $52.8 million. For the two main departments co-ordinating the programs (the Power and Water Authority (PAWA) and the Department of Lands and Housing (DLH), the expenditure represented approximately 18 per cent of their combined 1990-91 budgets of $292 million (NT Government 1991a: 7).

The Commonwealth contributions to this expenditure are allocated in a number of different forms, with the majority as untied Commonwealth general revenue grants. Even so, a number of the expenditure elements within this overall budget category are subsequently assessed by the CGC within what is, in many ways, a 'tied' budget function; namely, the Aboriginal Community Services (ACS) category. In particular, all PAWA program expenditure for provision of essential services to Aboriginal people in the Territory, while allocated from untied Commonwealth funds, falls within the CGC's budget assessment procedure specific to the ACS function.6

Total expenditure by PAWA in 1990-91 on the provision of water, electricity and sewerage services to Aborigines amounted to $37.9
million. Of this, approximately $26 million was allocated to recurrent operating and maintenance costs. Delivered through PAWA, the total expenditure on essential services represented 14.6 per cent of that Authority's total actual expenditure ($259 million) for 1990-91. Under the ACS budget function, the NT was assessed by the CGC as spending $33.7 million in untied Commonwealth funding for 'Power and Water Authority - Aboriginal Essential Services, Water and Power' (Smith 1992). This funding area was the largest single component of the ACS category assessed by the CGC. The equal per capita assessment method used by the CGC with respect to the ACS category allows for reimbursement to the NT of all expenditure (averaged over five years) attributed to recurrent costs within Aboriginal communities.

PAWA has recently extended the user-pays system to remote Aboriginal communities for electricity supplies, charging at the standard NT tariff rate. This has led to the strong suggestion that the government has a responsibility to provide the same quality of services to Aboriginal communities as it provides to urban centres if a similar tariff is charged, as well as discussion about the appropriate level of charges for the supply of essential services which are heavily subsidised by Commonwealth funds. Further, the issue has been raised from a number of quarters within the Territory of why the user-pays system is being initiated when receipts will inevitably be deducted (dollar-for-dollar) from their ACS Commonwealth funding (Smith 1992). Wider issues associated with the NT's objective of mainstreaming service charges to all sectors of the population include: the high service costs of essential service provision in remote areas; decreasing Commonwealth special allocations; and pressure to increase its revenue-raising capacity in the face of threats to the system of fiscal equalisation. All of the above seem to equally underpin this particular initiative.

Recent NT Government attempts to change existing methods of distributing funds for public hygiene and municipal-type services, from Aboriginal town camp organisations to local government authorities, has also come under criticism from both the Aboriginal Town Campers Advisory Committee (ATCAC) and municipal authorities (ATCAC 1991; Rowse 1992). While acknowledging that the establishment of many town camp organisations has led to improvement in the delivery of services, the OLG nevertheless argues that the policy 'creates and perpetuates a divide between mainstream society and Aboriginal communities' (quoted in ATCAC 1991: 5). More to the point, distribution of government program expenditure through autonomous Aboriginal organisations is not readily accommodated within the government's ongoing policy objective of mainstreaming services. In particular, NT mainstreaming is predicated on the co-ordination of budgetary expenditure and management through centralised agencies. Whilst over one-third of its mainstream programs
have 'Aboriginal elements' to their service delivery, the emphasis is on integrating the delivering organisations firmly within government budgetary mechanisms.

Housing is exempt from the CGC's measurement of the ACS function. Funds are allocated via tied Commonwealth-State Housing Agreement (CSHA) grants. Under the 'housing assistance for Aborigines' category of the CSHA, the NT received a specific purpose (capital) payment of $19.5 million in 1990-91 for Aboriginal housing (Smith 1992: Table 1.A). This specific purpose payment is additional to the NT expenditure identified in Table 1. Commonwealth funds allocated under this tied payment are distributed in the States under the Aboriginal Rental Housing Program (ARHP) developed in close co-ordination with ATSIC. The program is ratified in the NT by an advisory committee which has representatives from NT and Commonwealth departments, and regional Aboriginal representatives, and is presented to the NT Minister for Lands and Housing and the Commonwealth Minister for Health, Housing and Community Services, for joint approval. The program operates via a system of direct grants to Aboriginal organisations which administer the monies and determine housing style and building contract arrangements.

These Commonwealth tied funds allocated through the NT as part of the CSHA are treated in this paper as a Commonwealth expenditure item, following the similar categorisation of this program expenditure by the Commonwealth (Commonwealth of Australia 1991c: 97). However, this raises the issue of how such allocations should be treated. In one sense, much of the NT program expenditure listed in Table 1 could be classified as Commonwealth, originating as it does from the high level of Commonwealth budgetary allocations to the NT. The specific joint arrangements for the co-ordination of the CSHA make it easier to demarcate ARHP expenditure from NT-source program expenditure. In many expenditure areas listed in the NT data file it is much more difficult to demarcate Commonwealth from NT-source expenditure. This issue becomes more pertinent when one is attempting to ascertain the nature and extent of NT Government expenditure on Aboriginal people that is allocated strictly from its own resources.

The NT acknowledges that there has been an absence of significant public sector expenditure on repairs and maintenance of rental housing in Aboriginal communities but has no data available on the proportion of dwellings in communities which are government-funded, or details on the level of associated expenditure. Nevertheless, it argues that increased funds are required and that CGC assessment of its housing expenditure needs should be based on required stock in Aboriginal communities, not on existing inadequate levels of housing. It submits that adequate housing would require an increase in the number of dwellings in the order of 50
to 65 per cent (NT Government 1991c: 247-51) and that the shortfall in funds for recurrent housing purposes alone in Aboriginal communities, in 1990-91, was $9.4 million. Preliminary data from Phase 1 of ATSIC's 1992 Housing and Community Infrastructure Needs Survey has confirmed the extent of the backlog and reported the required funding for providing and repairing community housing in the NT at $459.5 million (ATSIC 1992a: 6).

In 1990-91, NT community amenities and housing program expenditure ($52.8 million) and the $19.5 million CSHA funds were supplemented by ATSIC expenditure in the Territory of $34.2 million on housing and rental programs, and community infrastructure (ATSIC 1992a: 124). Of this expenditure, ATSIC allocated $11.7 million on the capital works component of its NT housing and rental accommodation program and $15.5 million on capital costs associated with its community infrastructure program; a total of $27.2 million in capital expenditure. This is roughly equivalent to PAWA's expenditure on the recurrent costs of providing essential services to Aboriginal communities (ATSIC 1992a: 52, 54). If this program area is typical, there appears to be a funding demarcation between the NT Government and ATSIC with the latter assuming considerable costs involved in the capital works component of Aboriginal housing and essential community services. ATSIC argues that it has subsequently been locked into providing recurrent costs for this program area, thereby providing substitution funding for services which presumably should be forthcoming from the NT (ATSIC 1991a: 4).

As well, there are currently private providers of housing and infrastructure for Aborigines for which there is almost no published data available. Some mining companies are involved in the provision of infrastructure (like roads) to communities as part of their exploration and resource development projects. Increasingly, a number of Aboriginal royalty associations are also providing infrastructure and essential services to their members. Some of this expenditure is arguably a substitution for programs and services that should be provided by the Commonwealth and NT Governments.

The apparent under-expenditure, particularly in capital outlay, by the NT Government on Aboriginal housing and community amenities (representing 18 per cent of the budgets for the two departments concerned), in the face of a significant shortfall in stock and recurrent services, is clearly being compensated for by Commonwealth direct funding. Given large shortfalls, the issue is not so much that funding for essential services comes from several sources, or that ATSIC and other Aboriginal organisations are currently funding a range of 'State-like' services in the Territory. Rather, the primary issue is that upon self-government, the NT faced a pre-existing and major expenditure need in
the area of Aboriginal housing and community amenities. It will continue to be reliant on Commonwealth funding (via its budget allocations and direct funding) to overcome the backlog and the increasing need likely to be accelerated by population growth.

However, the NT receives disability weightings for its expenditure functions, based on a number of cost-related characteristics of the Aboriginal population. An important financial issue is whether substitute funding regimes are being maintained by non-State and Commonwealth agencies as a result of the failure of the NT to supply services at levels commensurate with the Aboriginal component of its Commonwealth funding. Detailed accounting of expenditure in this area would allow full assessment of the extent of substitution funding, the actual range and quality of services being provided, and the co-ordination of public expenditure to meet existing backlogs.

Education
Total NT expenditure of approximately $46 million on Aboriginal education represented 15.7 per cent of the 1990-91 combined actual outlays of the Department of Education, Technical and Further Education, and the NT University. This proportion appears small considering that the NT has approximately 21 per cent of the total Australian enrolments of Aboriginal students (NT Government 1991b: 189-210). Also, education is a budget function for which the government receives disability weightings from the CGC for delivery of services to Aboriginal students (Smith 1992).

In addition to these funds, the Commonwealth Department of Employment, Education and Training (DEET) provided approximately $18.5 million to Aboriginal education in the NT and $11.5 million to the education income support component of ABSTUDY (see Table 3). When DEET funding of $18.5 million is added to that of the NT, total expenditure on Aboriginal education (taken as a percentage of the combined budgets of the relevant NT departments) is increased to 22 per cent. In other words, direct Commonwealth funding via DEET, is contributing substantially to raising NT Government expenditure on Aboriginal education in order to meet the considerable needs in this area.

Transport and communication program expenditure
In 1990-91, the NT received a total of $56 million for road funding, $30 million of which was for the Commonwealth national highways program. Attempting to assess exactly what monies are spent by the NT on roads servicing Aboriginal communities highlights the enormous difficulties involved in financial accounting at the State level, and the considerable ambiguities in lines of responsibility between different levels of government under Australian federalism.9
Further complications arise from the ambiguities surrounding the question of which agency has functional responsibility for building and servicing roads on Aboriginal land, and from government definitions of road types (e.g. private/public, local and arterial roads). At the 1991 Special Premiers' Conference it was decided that Commonwealth responsibility should be concentrated on national highways and other roads of national significance. Also, from 1991-92, funding for local roads has been untied and is included in general assistance grants for local government.

The NT receives much lower funding for local roads than other States; 4.6 per cent of total local road funding of $314 million in 1990-91. Whilst its population represents less than 2 per cent of the total Australian population, nevertheless, the NT continues to be heavily dependent on road transportation (80 per cent of NT roads are local roads), and Aboriginal communities suffer high costs because of their physical remoteness (Crough and Pritchard 1990). Given these factors, the NT appears to be significantly underfunded in this area.

State expenditure on internal access roads in Aboriginal communities (which is not considered in the distribution of grants under the Commonwealth road programs) is assessed by the CGC via the roads component of the Aboriginal Community Services expenditure function. The CGC determined that, in 1990-91, the NT Department of Transport and Works expended $4.7 million, including $1.9 million on capital and $2.8 million on the Aboriginal Essential Services (AES) component (see Smith 1992, Table 5). The latter expenditure is much lower than the $6.2 million cited by the NT as its expenditure in this area (Table 1). The AES expenditure category is the traditional budget area within which the Department of Transport and Works funds local roads in Aboriginal communities. Accordingly, these funds appear to be subject to the same form of CGC assessment as the provision of essential services to Aboriginal communities. That is, the Territory's actual expenditure is taken as an indication of implied financial need and the Commonwealth reimburses at virtually an equivalent rate to actual expenditure.

It is extremely difficult in this program area to reconcile various expenditure estimates against budgetary allocations. The annual budget overviews reinforce the notion that the major direction in road funding is towards the development of roads servicing prime tourism and resource development areas, and that the funding of local roads (in particular those servicing Aboriginal communities and internal access roads) has been neglected. There appears to be a considerable backlog of capital and recurrent needs (Crough and Pritchard 1990: 100-4) and many roads are in poor condition. A 1986 NT Government consultancy report on infrastructure requirements in Aboriginal communities estimated a total expenditure requirement on formed and gravel roads of at least $180
15 million (see Crough and Pritchard 1990: 101). The 1992 Phase 1 of ATSIC's Housing and Community Infrastructure Needs Survey in rural and remote areas reported estimated costs of $132.5 million for upgrading roads at NT Aboriginal communities, excluding outstations (ATSIC 1992b).

More detailed information is needed of Territory and Commonwealth expenditure on transport and works at the level of particular Aboriginal communities. The collation of such data could fall within the functions of the National Road Transport Commission (NRTC). Set up by Heads of Government in July 1991, the NRTC is to develop national road transport legislation and regulations, assemble and publish comparative information on Commonwealth-State funding and management of roads, and recommend on charges (Australian Government 1992: 4). As Lawrence (1991: 64) notes, the majority of Aboriginal communities are provisioned by heavy vehicles and will be especially effected by recommendations forthcoming from the NRTC. However, the NT Government has not, to date, become a signatory.

**Law, order and public safety**

In total, the NT estimated an expenditure of $27.2 million in this general program area in 1990-91. $16.8 million was spent on court and custodial services with respect to Aboriginal people, from a total outlay in that budget area of $25.6 million. As a proportion of departmental and overall budgetary allocations, government expenditure on Aboriginal people in the area law, order and public safety was extremely high. Approximately 68 per cent of departmental expenditure on custodial programs was attributed to Aboriginal people (see Appendix).

In the area of custodial services this expenditure could, in effect, be classed as 'negative' funding. Aboriginal people are disproportionately represented in the NT prison system. This negative presentation as 'clients' partly reflects Aboriginal people's low socioeconomic position. On the basis of their proportional representation within the total NT population (22 per cent), expenditure in the area of custodial services could be expected to be at an equivalent proportional rate; that is, $5.5 million in contrast to actual expenditure of $16.8 million. The difference of $11.3 million can be characterised essentially as funding allocated to maintain a disproportionate representation of Aboriginal people within the prison system.

**Assistance to local governments**

The NT estimated that in 1990-91 it allocated $19.5 million, via the Office of Local Government (OLG), to 16 Aboriginal Community Councils and some 33 other Aboriginal organisations to provide local government-type services. The financial situation with respect to the operation of
Aboriginal local government and community councils is extremely complex (see Mowbray 1986; Wolfe 1989). The principle of fiscal equalisation does not apply to Commonwealth funding for local government which is allocated to States on an equal per capita basis. Intra-Territory distributions of local government funds by the NT Grants Commission are allocated on an equalisation formula partly determined by the Commonwealth's *Local Government (Financial Assistance) Act, 1986*, and partly by NT procedures.

Criticism has been made about the manner in which these funds have been distributed (CGC 1992; Central Land Council (CLC) 1991; Northern Land Council (NLC) 1991). In spite of the federal requirement that States and Territories formulate distribution principles which have regard to 'full horizontal equalisation', Aboriginal local governing bodies do not fare well in the allocation of Commonwealth local government financial assistance grants. In 1990-91, approximately 53 per cent of grants ($6.6 million) were allocated to the Darwin, Litchfield, Palmerston, Alice Springs, Tennant Creek and Katherine local governing bodies. The remaining funds were spread over fifty local governing bodies with primarily Aboriginal populations (NT Local Government Grants Commission Report 1992: 10-11).

The Commonwealth and State Governments, including the NT, have supported the Royal Commission into Aboriginal Deaths in Custody's (Commonwealth of Australia 1991b: 38) recommendation that funding for essential and local government services should not be dependent upon the structure of organisation which is adopted by Aboriginal communities for service delivery (Commonwealth of Australia 1992: 760-64; Commonwealth of Australia 1990). However, NT Government practice potentially counteracts this in the area of financing Aboriginal essential and local government service delivery. For example, OLG operational subsidies to non-municipal local governing bodies include the application of a 'status weighting of 30 per cent' to recognise the existence of a formal community government under the *Northern Territory Local Government Act* (OLG 1991: 3). Only 18 of 59 NT local governing bodies in 1991 were incorporated under the provisions of that Act, though a number of others were in the initial stages of the process. Many Aboriginal communities have service delivery co-ordinated through a range of local organisations including community councils, land trusts, royalty associations and outstation resource centres. The use of a status weighting which specially recognises and hence encourages incorporation under NT legislation is directed towards the ongoing mainstreaming of Aboriginal local government under a uniform, Territory-controlled financial administration.
A range of Aboriginal organisations in the NT have 'evolved as instruments of local governance' (Rowse 1992: 88; Commonwealth of Australia 1991b: 31-9) and as a consequence, Aboriginal 'seats of government are everywhere' (Fletcher 1989: 275). This in itself will have an impact on the cost of providing state-like services by what could be called a fourth level of government; that is, Aboriginal community and local government councils. The funding pathways used by both the NT and Commonwealth for the provision of local government services in Aboriginal communities need to be made clearer in order to ascertain both the level and source of funding, and the manner of service delivery.

Industry assistance and labour market programs

In total, the NT reported that it spent $1.4 million in 1990-91 on Aboriginal labour and employment/industrial assistance programs. This is an extremely small amount considering the high Aboriginal unemployment rate and that the main programs (see Appendix) are partially financed by Commonwealth tied funds.

Employment and industrial development programs (apart from the Northern Territory Aboriginal Employment and Economic Development Program) appear to be oriented towards the two main industries in the NT economy; namely, mining and tourism. However, available research indicates that Aboriginal people play a peripheral role with respect to direct employment in the NT mining industry and generally do not seek employment in either the mining or tourist industries (Altman and Finlayson 1992; Altman and Smith 1990: 19-38). Rather, the major employer industries are the public sector and community services. Aboriginal employment, in particular, is heavily concentrated in the public sector areas of community services and public administration (56 per cent of employed Aborigines) (ABS 1990: 85). It appears that the NT is significantly underspending in the program area of Aboriginal employment generation.

However, this is an area traditionally seen as being a Commonwealth responsibility. Indeed, Commonwealth funds account overwhelmingly for expenditure in the NT in this broad budget area. In 1990-91, ATSIC expended $7.6 million in the NT on employment, training and enterprise development, consisting of $6.0 million on Aboriginal enterprises; $1.5 million on training; and $0.1 million on economic development support. Additional to this was ATSIC's expenditure on the Northern Territory's Community Development Employment Projects (CDEP) scheme, including $12.3 million on operational costs and program support and $33.5 million on payments to communities (ATSIC 1992a: 124). This one Commonwealth agency allocated close to 14 times more than the NT Government to programs oriented to improving the economic and employment status of Territory Aborigines. When the CDEP scheme
Table 3. DEET Aboriginal Assistance Program expenditure in the Northern Territory, 1990-91.

<table>
<thead>
<tr>
<th>Sub-program Description</th>
<th>Expenditure in the NT</th>
<th>Total Australian expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education Components</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General recurrent grants (M)</td>
<td>17.658&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1,962,000</td>
</tr>
<tr>
<td>Aboriginal education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic initiative program (A)</td>
<td>15.008</td>
<td>82,054</td>
</tr>
<tr>
<td>Higher education system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal participation initiative (MA)</td>
<td>2.000</td>
<td>25,300</td>
</tr>
<tr>
<td>TAFE capital grants (M)</td>
<td>1.460</td>
<td>7,860</td>
</tr>
<tr>
<td>Education income support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ABSTUDY (A)</td>
<td>11.544</td>
<td>81,735</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>47.670</td>
<td>2,158,949</td>
</tr>
<tr>
<td><strong>Employment/Training Components</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aboriginal employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training for Aboriginals Program (TAP) (A)</td>
<td>14.601</td>
<td>99,823</td>
</tr>
<tr>
<td>Commonwealth rebate for apprentices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time training (M)</td>
<td>0.008</td>
<td>0.182</td>
</tr>
<tr>
<td>Australian traineeship system (MA)</td>
<td>0.020</td>
<td>0.895</td>
</tr>
<tr>
<td>Employment access assistance (M)</td>
<td>0.008</td>
<td>0.625</td>
</tr>
<tr>
<td>Job search assistance (M)</td>
<td>0.004</td>
<td>0.280</td>
</tr>
<tr>
<td>Training assistance (Jobtrain) (M)</td>
<td>0.589</td>
<td>6.594</td>
</tr>
<tr>
<td>Employment assistance (Jobstart) (M)</td>
<td>0.032</td>
<td>2.925</td>
</tr>
<tr>
<td>Skillshare (M)</td>
<td>0.648</td>
<td>90.797</td>
</tr>
<tr>
<td>New self-employment scheme (M)</td>
<td>0.113&lt;sup&gt;b&lt;/sup&gt;</td>
<td>11.332</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16.023</td>
<td>213,453</td>
</tr>
</tbody>
</table>

<sup>a</sup> DEET's General Recurrent Grants Program provides funds to support the recurrent costs of government and non-government schools. These amounts represent total DEET recurrent grants to the NT. Available DEET data are insufficient to provide pro-rata allocations for Aboriginal students within the NT higher education system.

<sup>b</sup> Estimated from the total funds budgeted for 1990-91 (being $11.3 million) on the basis of the number of self-employment ventures (10) funded in the NT as a percentage of the total number Australia-wide (1,000).

Source: DEET expenditure data provided to the ATSIC Secretariat, 1991.
expenditure is deducted, ATSIC expenditure is still over five times greater than the NT's. Additional to ATSIC's outlay is the expenditure by DEET in the NT. In 1990-91, DEET spent approximately $16 million on Aboriginal employment and training programs, including $14.6 million on the various components of the Training for Aboriginals Program (TAP).11

DEET employment/training program expenditure is listed in Table 3. Clearly, the Commonwealth bears the major funding role in Aboriginal employment and enterprise development in the NT, as it does in all other States.

Conclusion and policy implications

An examination of NT expenditure data raises a series of methodological problems that would need to be addressed in order to achieve greater transparency in state allocations to programs and services for Aboriginal people. In particular, there are many gaps in government data at both the Commonwealth and State level, reflecting the absence of procedures that facilitate, or require, the ongoing identification of government expenditure on Aboriginal programs. A number of issues raised by the expenditure data have implications for particular policy perspectives currently under debate. The co-ordinating role of ATSIC, policy issues concerning positive versus negative funding, substitution versus supplementation funding and mainstreaming of services are discussed below.

Directions in NT program expenditure

The NT Government's identified Aboriginal program expenditure in 1990-91 exhibits some Territory-specific directions. A comparison of Commonwealth and NT funding differences in Aboriginal affairs usefully highlights some of these. The three main areas of expenditure in the total Commonwealth Aboriginal programs budget include: expenditure on Aboriginal labour and employment/industry assistance programs (33 per cent of total); expenditure on housing and community services (29 per cent); and education (20 per cent) (Commonwealth of Australia 1991c: 20-1). By comparison, the NT expended (as a proportion of its total identified expenditure on Aboriginal people), 0.4 per cent, 17 per cent and 15 per cent respectively, for the same three areas. The three largest expenditure areas for the NT were health (35 per cent); housing and community services (17 per cent) and education (15 per cent).

The top expenditure category for the Commonwealth (labour and employment/industry assistance - 33 per cent) was the Territory's lowest (0.4 per cent). This function is generally regarded as being a
Commonwealth responsibility. Nevertheless, given the low economic status of NT Aboriginal people and the potential and actual regional economic impact of Aboriginal incomes and investment capital, it is surprising that the NT expends so little on programs with the objective of alleviating this area of disadvantage. Future NT spending oriented towards increasing Aboriginal labour force participation and employment generation might more effectively be focused on a current growth industry for Aboriginal employment; namely, the public administration and community services areas. Aboriginal service and resource organisations are major employers in these public sector areas.

The NT's top expenditure area (health) was over six times the proportional expenditure by the Commonwealth (at 5.3 per cent), and expenditure on law, order and public safety programs for Aborigines (at 9 per cent of its total expenditure) was over three times the Commonwealth's expenditure (at 2.7 per cent). The level of NT expenditure varied considerably across program areas, with some (housing, infrastructure, roads, employment and training) given lower priority than others (health, education and law and order).

The NT's high expenditure in the area of Aboriginal health reflects the continuing high rate of premature deaths and excessive hospitalisation (Thomson and Briscoe 1991). It also highlights the high costs associated with delivery of health services to dispersed, remote populations. The NT's law and order program expenditure represents 'negative' funding, in the sense that the high program expenditure can be judged to compound a negative outcome or 'rate of return' for clients; in this case, the continuing over-representation of Aboriginal people in custody. In line with recommendations made by the Maori Economic Development Commission (Douglas and Dyall 1985) with respect to similar negative funding in the area of Maori imprisonment, it may be that a redirection of funds by the NT away from incarceration programs towards services with positive longer-term outcomes (for example, programs oriented to improved Aboriginal health and socioeconomic status) is worthy of consideration.

There are many related issues that can be raised about the manner in which NT services are delivered to Aboriginal people, both in terms of the standard and availability of services, and the appropriateness of mainstreaming. Data examined here highlight the overall nature of the NT's expenditure within broad budget categories and component programs. They do not reflect the effectiveness of service delivery, nor do they provide a reconciliation with program expenditure to particular Aboriginal communities. Further, the high cost of service provision (judged by the CGC to be 2.5 times higher than all other States) has to be taken into account when assessing the Aboriginal component of program
expenditure levels. Higher levels of expenditure may merely reflect high costs, rather than a greater level of service provision.

*The Aboriginal component of NT Government expenditure*

There are a number of factors involved in determining the level and organisation of the NT's budgetary expenditure on Aboriginal people. Government income continues to be heavily reliant on Commonwealth funding and, as has been argued (Smith 1992), there are significant weightings given to the Aboriginal component of budgetary disabilities measured by the CGC. Characteristics of the Aboriginal population have been accepted by the CGC as contributing significantly to the NT's higher cost disabilities and consequent higher per capita expenditure needs. It is precisely this important Aboriginal component which is also reflected in the NT's high global relativity and its subsequent relatively high level of revenue allocated by the Commonwealth.

The significant Aboriginal component becomes streamed into largely untied Commonwealth funds for which neither the CGC nor the Commonwealth Government require expenditure acquittal. A small 3.2 per cent of all Commonwealth funds allocated to the NT in 1990-91 were specific to the Aboriginal population and totalled $34.1 million. To this extent, the larger total Aboriginal component to Commonwealth allocations to the NT remains largely invisible. In turn, the extent of NT mainstream delivery of services to Aboriginal people tends to reinforce this invisibility. The situation with respect to Commonwealth general revenue payments is, however, characteristic of all other States. Invariably it is extremely difficult to disaggregate state expenditure attributed to Aboriginal clients, especially on mainstream programs. To its credit, only the NT attempted to account, at a general level, for such expenditure over the 1990-91 financial year. The advantages of this process for planning and co-ordination purposes have convinced the NT to continue its own collection of Aboriginal program expenditure data for 1992-93, via the Treasury. To the extent that this process is ongoing and the data made publicly available, government expenditure in this area will become increasingly transparent in the NT.

Identifiable NT expenditure on Aboriginal people across all program types represented 17 per cent of its total budget for 1990-91. Given the continuing low economic status of NT Aborigines (ABS 1990; Tesfaghiorghis 1991) this level of expenditure is neither proportional to the Aboriginal population's numbers within the total Territory population, nor, by the government's own acknowledgement, adequate to overcome their economic disadvantage and the considerable backlog in infrastructure and community amenities. Nor does it appear to reflect the significance of the Aboriginal component in determining the Commonwealth's general revenue payments to the NT.
On the other hand, even given the apparent low level of identified expenditure relative to overall government outlays and to identified Aboriginal needs, NT expenditure on programs and services for Aboriginal people compares extremely favourably with other States. In comparison with data complied by Arthur (1991) for Western Australia, it is clear that the NT expends a far greater amount on Aboriginal people. In 1990-91, an estimated $36 million was allocated by the Western Australian Government for Aboriginal programs and services (in which Aboriginal specific programs and mainstream programs with an Aboriginal element were included, but mainstream programs with particular relevance were excluded because of the difficulties in obtaining the data). In the same financial year the NT provided $15.2 million on Aboriginal specific programs and $102.8 million on mainstream programs which had a specific Aboriginal element; a total of $118 million. Arthur (1991) used a different methodology to the ATSIC Secretariat in collecting expenditure data. Accepting this proviso, this total was over three times as much as that allocated by the Western Australian Government to a larger Aboriginal population. On the basis of identifiable expenditure data alone, it appears that the NT Government has a greater commitment to its Aboriginal citizens than Western Australia.

Mainstreaming

The NT Government has described its own approach to providing services to Aboriginal communities as mainstreaming (Commonwealth of Australia 1990: 77). Mainstream programs can take a number of different forms with respect to their objectives and service delivery. Some have no Aboriginal focus at all, dealing with all clients on identical access bases; while other mainstream programs have specific Aboriginal elements which may, or may not, be delivered by the same central agency. The NT approach represents an amalgam of these, with the government arguing that services are provided to Aboriginal communities by functional departments 'in an equal fashion', but that design and delivery of some aspects may have 'regard to special needs of groups and communities' (Commonwealth of Australia 1988: 12). In this sense, NT mainstreaming includes varying degrees of recognition at the departmental level, of specific Aboriginal needs relevant to particular services. A major characteristic of NT mainstreaming is the fact that there is no single department with formal responsibility for overseeing Aboriginal affairs policies and programs. However, an Aboriginal and social policy branch within the Department of the Chief Minister has the role of developing a whole-of-government approach to major Aboriginal policy issues, and of providing co-ordination between departments. As seen from the data examined here, NT program expenditure on Aboriginal people is currently organised primarily through centralised administration with a small network of regional departmental offices.
By far the majority of NT expenditure on Aboriginal people in 1990-91 (95 per cent) was allocated via mainstream programs. Of that mainstream expenditure, 36 per cent occurred through mainstream programs which had aspects redesigned by government to include a specific Aboriginal component. Over 60 per cent of total expenditure on Aboriginal people was allocated to the particular form of mainstream programs which are said to have relevance to Aborigines, but which have not been developed or adapted with regard to their special needs. Only 5 per cent of the total program expenditure of $302.5 million occurred through specific programs developed for Aborigines.

In the absence of a formalised Aboriginal affairs policy, this mainstreaming of Aboriginal use of, and payment for, services could be said to be the NT's major, but unstated policy direction. NT Government commitment to mainstreaming is manifested at the broadest level in its distribution of the majority of its untied Commonwealth allocations to its own departments and the subsequent delivery of services primarily through such centralised agencies. It can also be seen in the incorporation of individual Aborigines as users of standard services subject to standard charges, and in the integration of Aboriginal organisations into mainstream administrative structures and financial frameworks. This is evident, for example, in the allocation of more resources to bodies with NT local government status and the progressive extension of the user-pays system. It is also evident in the low level of expenditure on programs specifically designed for Aborigines. The reverse appears to be the case for Commonwealth departmental expenditure within the NT. From detailed figures supplied by DEBT for its expenditure in the NT for 1990-91 (see Table 3), it can be seen that of a total of $63.7 million, some 65 per cent was allocated to Aboriginal specific programs.

The policy of mainstreaming programs has specific scale and point of delivery costs associated with it, especially if the objective is to provide the same range and standard of services to a dispersed population. While mainstreaming services may be cost-effective and efficient in urban centres, it remains unclear how appropriate this practice is for small, heterogeneous Aboriginal populations residing in isolated communities. The segment of the population which is most locationally disadvantaged with respect to service delivery costs (that is, smaller decentralised communities) will tend to be the most disadvantaged under the system of mainstreaming. These high cost service situations are the very ones targeted by the CGC's measurement of disabilities in its efforts to achieve fiscal equalisation between States. Given the budgetary impact of decreasing Commonwealth payments and continuing high service provision costs, it is questionable to what extent the NT Government is financially capable of providing mainstream services to all residents across the Territory (see Smith 1992). It may be that specialised program
delivery through decentralised local service agencies is both more cost-effective and more efficient in remote and rural NT.

Mainstreaming has many potential implications for Aboriginal people and organisations, one of which is the vexed question of user-pays. Both communities and the government will need to consider whether a standard range of programs and services will be available across the Territory to all types of communities, and charges made accordingly. At issue here is whether charges will be based on standard service accounting (e.g. metered rates, means testing, individual and household rather than community-based charging), and whether the significant Aboriginal component to Commonwealth allocations for essential services will be reflected in the determination of charges in remote areas. If communities in remote areas want the same or specific services to be provided they may need to contractually formalise the arrangement on the basis of a negotiated service model. Such a model would specify benchmark standards for a service, special needs, mutual responsibilities and the financial framework. Currently, the centralised location of many service deliverers requires Aboriginal people to either travel or relocate in order to obtain equal access to mainstream services. Such questions require careful consideration in assessing the costs and benefits of user-pays for Aboriginal interests.

It is likely that the NT will find it increasingly difficult to supply the same standard and range of mainstream services to remote Aboriginal residents, who are becoming more, not less, widely dispersed (Taylor 1989, 1991). The heterogeneous nature of the Aboriginal population, together with its dispersal, suggests that the NT Government will need to consider the need for greater policy and program flexibility than is possible with mainstreaming.

**Substitution or supplementary funding regimes**

A complex issue is the degree to which substitution funding regimes are a feature of Commonwealth activity in the NT. According to the broad expenditure categories examined here, it could be argued that NT and Commonwealth expenditure directions appear to complement each other in terms of the standard division of functional responsibilities between States and the Commonwealth. However, one can further assess the degree to which the particular mix of Commonwealth/State expenditure arises from a funding regime where Commonwealth departmental grants are additional to existing state expenditure in the same area. In this case, supplementary funding is allocated on the basis of an identified need in a particular program area. On the other hand, the division of financial responsibilities may arise primarily from a substitution funding regime where Commonwealth departmental expenditure is occurring in an area standardly regarded as a State functional responsibility, but where the
latter have very low, or no expenditure. The demarcation of financial responsibilities between the Commonwealth and States is very much at issue in these questions.

Again, there are historical factors determining the complex financial roles of both the NT and Commonwealth Governments in Aboriginal affairs. The Commonwealth has taken a greater interventionist role in many service areas in the NT and, accordingly, has become involved in recurrent funding of many programs. At the same time, some Aboriginal resource and royalty associations have assumed similar substitution roles by providing infrastructure and essential services (with monies derived from Commonwealth grants or royalty equivalents), as a result of minimal or no servicing by the NT Government.

ATSIC argues that in particular program areas it has become locked into substitution funding in the NT. In particular, ATSIC and its predecessor the Department of Aboriginal Affairs (DAA) have assumed an ongoing financial role in the provision of community infrastructure, including essential services and roads, both as capital and recurrent costs. At one level, the argument is about capital versus recurrent funding responsibilities. ATSIC's role in these funding areas has largely developed in an ad hoc manner and often in the absence of agreements with the States as to who will assume ongoing financial responsibility for particular ATSIC capital funding initiatives. In the absence of such agreements, the States have frequently not stepped into a funding role because it has been created initially by a Commonwealth decision. As a corollary, it is argued that the NT Government has especially failed to undertake the needed capital expenditure in Aboriginal communities, relying instead on continuing ATSIC funding (ATSIC 1991a, 1991c). Increasingly, ATSIC is seeking to overcome this budget lock-in. If such expenditure is occurring as substitution funding, then ATSIC needs to clearly identify specific areas where this is occurring. A clearer indication is also required of the circumstances in which expenditure becomes substitution, rather than supplementary, funding.

Certainly, the CGC currently treats ATSIC funding (both direct to communities and organisations, and via the NT) by the inclusion method, treating them as notionally tied Commonwealth grants and therefore as providing a source of funds to finance NT recurrent service expenditure. In this sense, ATSIC expenditure is incorporated in the CGC's assessment of NT budgetary expenditure and deducted from the latter's total assessed financial requirement. ATSIC has argued that their grants are intended to supplement mainstream programs to overcome expenditure backlogs and that it would be counterproductive to that special effort for the CGC to treat such grants by the inclusion method. ATSIC (1991a) submits that where grants (either capital or recurrent) are indeed supplementary, they
should be treated by the deduction method. It could be further argued that in Aboriginal affairs, using the inclusion method provides a disincentive for a State to increase its own funding, and that this is detrimental to socioeconomically disadvantaged groups. ATSIC argues that where their funding substitutes for States defaulting on expenditure responsibilities, grants should be treated by the inclusion method. Whilst there is much discussion about the degree to which grants supplement or substitute, it is a complex area and little conclusive data have been produced to rigorously address the issue. At the basis of much of the debate is the question of relative Commonwealth and State financial responsibility in the area of Aboriginal affairs.

The NT and other States receive Commonwealth funds for Aboriginal community management and local government services under the ACS budget function. Current CGC assessment of this functional area allows for virtually full reimbursement to the States of actual recurrent costs. Effectively, higher state expenditure in this area is accepted by the CGC as an indication of its greater implied financial need (Smith 1992). By implication, it would seem that an appropriate financial demarcation would be for ATSIC to continue funding capital costs of infrastructure and essential services projects where required, while State Governments assume the longer-term responsibility for recurrent costs, for which they currently receive virtually full reimbursement from the Commonwealth.

At the same time, ATSIC has, in effect, supported the NT's submission to the CGC that the historical backlog of infrastructure, essential services and housing for Aborigines in the Territory should be measured separately, and that current Commonwealth funding to the Territory does not cover the costs of either existing or previous backlogs. ATSIC (1991a) makes the very pertinent recommendation to the CGC that it accept and assess a 'lack of amenity disability factor' for the NT and treat the 'diseconomies of small scale' at small Aboriginal communities and outstations as an expenditure disability and not the result of Territory policies.

Presumably, the extent of substitution funding, where it exists, would decrease as backlogs are progressively dealt with via increased funding to the NT as a result of such a disability factor. Although the increasing dispersion of the NT population, and the projected demographic shifts in the total Aboriginal population over the next decade - in particular the rapid growth in the number in young and middle adulthood (Tesfaghiorghis and Gray 1991) - the continuing high service provision costs, and the high rate of depreciation on existing stock, suggest that the backlog may indeed increase over time. Whatever the future scenario, to be effective, funding related to such a lack of amenities factor would need
to be tied as a specific purpose payment in order to target identified needs.

**Accounting for government expenditure on Aboriginal people**

Government expenditure on programs and services for Aboriginal people should be more transparent. The availability of budgetary data is essential to an understanding of the level and direction of State Government expenditure on Aboriginal people and of a range of important Aboriginal economic policy issues, some of which have been raised both here and in Smith (1992). In particular, an ongoing system of accounting for both State and Commonwealth Government program expenditure is needed. Included in such an accounting mechanism would be the regular departmental collation of expenditure data relevant to government programs having Aboriginal clients and a full disclosure of the methodology used in measuring costs related to Aboriginal use.

The financial pathways that program expenditure follows from state agencies to communities need to be specified so that expenditure data (for example, from the NT Government, down) can be matched with an assessment of outcomes (from the community, up). It is always difficult to determine the actual level of use of mainstream programs by Aboriginal people. Nevertheless, as has been shown here, in some mainstream program areas such as health and custodial services, the NT has collected reasonably accurate data on the number of Aboriginal clients. In other program areas, data are absent and estimates of Aboriginal use and associated expenditure are, at best, very rough estimates.

The NT data also reveal that methods used for estimating the costs of service provision to Aboriginal people will need to vary between programs according to the type of service being delivered and importantly, according to the cost-related characteristics of Aboriginal clients themselves. Differences in costs between urban and remote areas, and resulting from the wide range of cultural, social, demographic and economic circumstances of the Aboriginal population will help determine such characteristics. The explanatory bases of estimates should be clearly noted in the data.

Such procedures have implications for many administrative databases which lack Aboriginal and Torres Strait Islander identifiers and where data on Aboriginal use of services are rarely disaggregated. A strong argument can be made for the introduction of identifiers into administrative databases. Identifiers would be an invaluable tool for facilitating the generation of data about Aboriginal usage of government programs, especially mainstream services (see various chapters in Altman 1992; Commonwealth of Australia 1991a: 10-11).
There are roles for State Treasuries, the CGC and other Commonwealth commissions, such as the National Road Transport Commission and ATSIC, in relation to the measurement of State and Territory expenditure on Aboriginal people. This is already to some extent being carried out by the CGC for particular state expenditures under the ACS budget function. The CGC's role in measuring this budgetary category may well be extended if the Commission decides, in its current major review of general grant relativities for the States, to change the method of assessing the ACS category from an acceptance of implied need, to detailed measurement of specified factors (see Smith 1992). But firstly, mechanisms would need to be in place at the State level for indicating those programs which have identified Aboriginal clients. Equally, Commonwealth departmental program expenditure data would need to be broken down in a similar manner and disaggregated by State.

The CGC, whilst concerned with the equal capacity of States to provide services, has no role in assessing outcomes, or in requiring an expenditure acquittal from the States. ATSIC, on the other hand, has both an interest and a responsibility to ensure that social justice principles are applied to the inter- and intrastate distribution of Commonwealth funding for service provision to Aboriginal people. ATSIC (1991b: 75) has recently recommended that States should comprehensively identify expenditure on Aboriginal and Torres Strait Islander people. Some of the initial steps towards this objective lie within ATSIC functions, both in terms of its own distribution of funds between States and between regional council areas, and in terms of its role in the possible negotiation of bilateral agreements with the States over service delivery and funding demarcations. In these roles, there is a clear mandate for ATSIC to press for the establishment of administrative procedures enabling greater transparency of state expenditure on Aboriginal people and of the financial pathways associated with such expenditure. Co-ordination by State and Commonwealth Governments of service delivery to Aboriginal people will not be possible without the availability of such data. At the regional and local level, financial planning by ATSIC regional councils and other Aboriginal organisations cannot proceed effectively without this data. In this regard, ATSIC's own expenditure will also need to become more transparent.

Accepting the very real limitations in the methodologies used to generate the NT expenditure data, and the lack of expenditure detail at the community service delivery level, the data provided by the NT do represent an important first step in state accounting of expenditure on Aborigines and indicate that such a procedure is possible. The data on Aboriginal specific and mainstream program expenditure make possible an initial assessment of the NT Government's financial and policy role in Aboriginal affairs. The clear benefits of these data are indicated by the
recent NT decision to continue the collation and analysis of its own expenditure on Aboriginal people. In this way, the methodology used for estimating expenditure levels and the administrative databases upon which estimates will be based, will become progressively more refined and reliable. These steps being undertaken by the NT should be matched by other States. To further this objective, at a recent meeting of the Australian Aboriginal Affairs Council, there was agreement that all spheres of government should produce budget papers outlining the levels and outcomes of program expenditure on Aboriginal people.

Notes

1. Throughout this paper 'State/s' is used to refer to both the States and Territories, unless otherwise specified.

2. Whilst there are a number of studies of Aboriginal communities focusing on service delivery issues and aspects of the local economy such as employment levels and sources of income, there are few research data on the overall funding of Aboriginal communities. Understandably, such a 'bottom-up' study of government expenditure would be complex and could only be undertaken with the full co-operation of communities themselves.

3. Arthur's (1991: 17) analysis of funding allocations to Aboriginal people in Western Australia raises this issue, with the author commenting that given the extremely low economic status of Aborigines and the high profile of Aboriginal affairs in the welfare and human rights arena, 'it is surprising that all levels of government do not have data on their expenditure in this area'. Whilst the Commonwealth Government's Budget Related Paper No. 7, Social Justice for Indigenous Australians, 1991-92, provided, for the first time, an account of its expenditure on Aboriginal and Torres Strait Islander program, the Aboriginal and Torres Strait Islander Commission (ATSIC) Secretariat responsible for co-ordinating the data collection was unable to provide similar breakdowns from all States. The implications of this lack of statistical information from administrative databases and official surveys about the Aboriginal and Torres Strait Islander population has recently been discussed from a number of viewpoints in Altman (1992).

4. For example, in 1990-91 the ABTA received approximately $33 million in royalty equivalent payments from the Commonwealth (ABTA 1992: 2).

5. In arguing this very point to the CGC, the NT Government (1991: 6) noted that most Aboriginal children admitted to NT hospitals exhibited several pathologies. While most non-Aboriginal children are admitted for a single disease, it is not uncommon for Aboriginal children to have 'up to 10 separate pathologies'. The NT argued that Aborigines are also admitted to hospital when the disease is more acute. Health factors such as these are associated with higher costs and levels of expenditure.

6. The CGC assessment method used for the ACS budget function is quite complex. The CGC measures a specified set of NT recurrent expenditures (provision of local government and essential services to Aboriginal communities) under this category in order to establish future funding requirements. It is not simply a matter of direct reimbursement for the previous year's expenditure. The implied disability measured by the Commission is integrated, along with all other expenditures, into a State's final global relativity (see Smith 1992). It is from this relativity that the Commonwealth
then allocates specific general revenue payments to the various States. Expenditure assessed under ACS subsequently returns to States as part of untied funds.

7. This estimate was prepared by the NT Department of Lands and Housing as part of the NT Government's 1992 supplementary submission to the CGC (NT Government 1992: 121-4).

8. For example, levels of Department of Aboriginal Affairs (DAA) funding of the outstation movement in the 1980s were linked to the availability of grants under the ABTA, and pressure was mounted within the Department to move away from grants-in-aid to outstations and resource centres, and to encourage Aboriginal people to apply for ABTA monies instead. Similarly, it has been argued that in the mid 1980s the Gagudju Association's use of royalty payments (received from the mining agreement with respect to the Ranger uranium mine at Jabiru) was subsidising NT Government expenditure on health and education. The Association was also financing its own outstation resource centre (a DAA responsibility) and its own housing program (then an ADC responsibility) (Altman 1985: 147-59).

9. The only published attempt in this area is by Fletcher (1989) who noted the hazards in Western Australia of trying to identify primarily non-specific grants to local authorities and of locating where Aboriginal specific monies may have been spent with respect to road funding.

10. If the fiscal equalisation principle was applied by the Commonwealth to the inter-State distribution of local government funding, there would be a significant increase in its funds. The Territory estimated that such a funding redistribution would net it an additional $24 million per annum for local government grants (NT Government 1991-92: 44).

11. Subsequent to the Johnston (1991) review of DEET's Training for Aboriginals Program (TAP) in 1991, the community sector of TAP has been transferred to ATSIC and renamed the Community Training Program.

Appendix

Breakdown of Northern Territory Government expenditure on Aboriginal programs, 1990-91

The following sections present a breakdown of identified expenditure for constituent programs within the Northern Territory's broad budgetary categories, as outlined in Tables 1 and 2. Expenditure estimates, program titles and explanatory descriptions have been provided by the Northern Territory (NT) Government and relevant NT departments.

1.1 Health (mainstream with specific Aboriginal element)

Primary health care - Aboriginal and/or remote communities
The rural community health care program within the Department of Health and Community Service (DHCS) is co-ordinated through such means as the aerial medical service, independent health organisations, departmentally operated health centres and a grants program. The department attributed 100 per cent of its expenditure of $24.9 million in 1990-91 to Aboriginal clients using this program.

1.2 Health (mainstream with particular relevance)

Hospital services
Each of five hospitals operates as a sub-program. The NT Government estimated that in 1990-91, 70 per cent (approximately $72.2 million) of the costs of these hospitals could
be apportioned to providing services to Aboriginal people. Specifically, the Royal Darwin Hospital attributed 60 per cent of its costs to Aborigines, ($36.4 million); Katherine Hospital attributed 80 per cent of its costs to Aborigines, ($7 million); Gove Hospital attributed 85 per cent, ($5.5 million); Alice Springs Hospital attributed 70 per cent, ($19.1 million); and Tennant Creek attributed 80 per cent, ($4.1 million). Funds allocated to the NT for hospital services include a Commonwealth specific purpose payment of $22.4 million (see Smith 1992).

*Communicable diseases*

This program within the DHCS provides services to prevent, monitor and control communicable diseases in the Northern Territory. The department estimated that approximately 70 per cent of its 1990-91 expenditure was attributed to Aboriginal clients; a total of $2.8 million. No explanation was given as to the basis upon which this proportion had been estimated.

In this program, services for tuberculosis and leprosy are almost exclusively directed to Aborigines (NT Government 1991c: 77). In submission to the Commonwealth Grants Commission (CGC), the NT Government conservatively estimated that 51 per cent of expenditures within the communicable diseases area in 1990-91 related to Aboriginal people (ibid.: 77). This estimate is nearly 20 per cent lower than the above 70 per cent cited by the NT Government for the same financial year. It is unclear what the difference is based upon and which is more accurate.

*Alcohol and drugs*

This DHCS program is co-ordinated between the Territory and the Commonwealth through the Ministerial Council on Drug Strategy and the National Campaign Against Drug Abuse. The program is delivered through departmental service units and a grants scheme. The department attributed 65 per cent of its 1990-91 expenditure in this program to Aboriginal clients; being $2.0 million. In submission to the CGC, the NT Government gave a very similar expenditure estimate of 68 per cent ($2.1 million) for the same program. In some service areas within this program, expenditure estimates were based on administrative records of client use (NT Government 1991c: 78-79).

*Primary health care - urban*

Delivery of this DHCS program is provided mainly through service units and some grants-in-aid. The department attributed 30 per cent of its 1990-91 expenditure in this program area to Aboriginal clients; being $4 million.

2.1 Housing and community amenities (Aboriginal specific program)

*Provision of water to Aboriginal outstations*

This is the sole Aboriginal specific program run by the Northern Territory Power and Water Authority (PAWA) and involves the provision of water supplies to approximately 450 outstations in the Territory. PAWA considers outstations to be those communities with less than 100 persons as permanent residents (NT data file). In 1990-91, a total of $2.7 million was spent under this program (just under $6,000 per outstation). $1.3 million was allocated to operation and maintenance (recurrent costs) and $1.4 million on capital outlay. The program is funded as a sole NT responsibility via untied Commonwealth monies allocated under the Aboriginal community Services (ACS) budget category (see Smith 1992).

*Town camp housing and infrastructure program*

This program arose from an agreement between the NT Chief Minister and the Commonwealth Minister for Aboriginal Affairs in 1988. It targets Aboriginal town campers in Darwin, Katherine, Tennant Creek, Alice Springs, Borroloola and Elliott. The program is co-ordinated jointly by the NT Department of Lands and Housing (DLH) and the Aboriginal Town Campers Advisory Committee (ATCAC). Funds are expended by way of grants to town camp organisations and Community Government Councils. Jointly
funded by the Commonwealth and NT Government to the overall value of $30.3 million, the NT contributed approximately $6.1 million in 1990-91 and the Commonwealth $4.1 million.

NT expenditure in this area is assessed by the Commonwealth for future funding purposes under the CGC budget category of Aboriginal Community Services, which includes provision for expenditure on local government and essential services to Aboriginal communities. In 1990-91, the CGC reported an expenditure of $22.8 million by the NT Office of Local Government (OLG) for such services, and expenditure of $0.2 million by the DLH. It is not possible to reconcile these total levels with the particular program expenditure reported above.

2.2 Housing and community amenities (mainstream with an Aboriginal element)

Provision of power supply to Aboriginal communities
This PAWA program aims to provide reticulated electricity services to 60 major and 6 minor Aboriginal communities under 100 people. Each community system is operated and maintained by Aboriginal community councils and/or agencies under contract to PAWA. Whilst one of PAWA's service targets is to limit power-outage duration to a maximum of 4 hours, it acknowledges that longer periods are experienced in more remote centres where expertise is often not available to rectify faults. PAWA has the objective of providing the supply on a pay-for-use basis at the standard Northern Territory tariff 'to assist with demand management and contribute towards capital and recurrent costs of service provision' (NT data file).

For the 1990-91 financial year, capital costs for this particular program amounted to $2.4 million (that is, just under $4,000 for each community) and operation and maintenance costs $18.1 million. A total of $20.5 million was expended via this program, representing 7.9 per cent of PAWA's total 1990-91 actual budgetary expenditure of $259 million (NT Government 1991a: 7). Funding for this program is provided from untied Commonwealth grant funding, assessed by the CGC under the Aboriginal Community Services budget category.

Provision of water supplies to Aboriginal communities
This PAWA program aims to provide reticulated water supplies to approximately 60 major Aboriginal communities of generally over 100 persons. Each community system is operated and maintained by Aboriginal community councils and/or agencies under contract to PAWA. In 1990-91, expenditure attributed to this program amounted to $6.3 million for capital costs and $5.1 million for recurrent costs; a total of $11.4 million. Together with PAWA's supply of power to the same communities, this combined capital outlay of $8.6 million represented 3.3 per cent of the Authority's 1990-91 budget of $259 million. In total, PAWA water and power supply services (including capital and recurrent costs) to major Aboriginal communities represented 12.3 per cent of the Authority's total 1990-91 expenditure.

Provision of Community Sewerage Facilities
PAWA provides a range of sewerage collection, treatment and disposal facilities for 30 major Aboriginal communities. PAWA's objective is to provide the service on a user-pays basis 'at the standard Northern Territory tariff' (NT data file). Each community system is maintained by the community council and/or agencies under contract to PAWA. In 1990-91, this program allocated $1.8 million to capital costs and $1.5 million to recurrent costs; a total of $3.3 million for 30 Aboriginal communities. PAWA runs the program from NT Government untied grant funding.

In total, the NT spent $37.9 million on the provision of essential services of power, water and sewerage to Aboriginal communities and water to Aboriginal outstations, during 1990-91. Of this, approximately $26 million can be categorically attributed to the recurrent
(not capital) costs involved in the provision of water and power services. Categorically, in the sense that components of these service costs may have been incurred within other programs, such as the NT's contribution to the town camp housing and infrastructure, and the servicing of land program. But these costs have not been itemised by the NT Government.

*Provision of serviced land on Aboriginal areas*
This DLH program aims to provide serviced land to meet the needs of its own and ATSIC's housing programs for Aboriginal people. Funds are acquitted against tied Commonwealth funds and Territory matching funds under the Commonwealth-State Housing Agreement (CSHA). The NT received approximately $40.7 million as CSHA block assistance in 1990-91, in the form of a capital specific purpose payment (SPP) (Commonwealth of Australia 1991d: A34-40). In 1990-91, the NT spent $5.5 million on the program.

2.3 Housing and community amenities (mainstream with particular relevance)

*Maintenance of urban stock*
The DLH estimated that 17 per cent of public housing tenants in the Territory are Aboriginal or Torres Strait Islanders and accordingly attributed $1.5 million as the cost of meeting maintenance requirements for their urban dwellings. Public rental housing is provided by the Territory Government in five major regional centres (Darwin, Alice Springs, Tennant Creek, Katherine and Nhulunbuy) and a certain amount of government housing in Aboriginal communities is government funded and maintained. Funds are allocated from the NT Government and from Commonwealth tied funds available under the CSHA.

*Acquisition of land and dwellings*
The DLH's program of capital works necessitates the acquisition of land and dwellings. The department estimates that under this mainstream program an amount of $0.3 million was attributed to Aboriginal clients in 1990-91. The expenditure was estimated solely on the basis of using the Aboriginal proportion of the total Territory population (stated in the relevant section of the NT data file as being '20 per cent') as the hypothetical proportion of funds which should have been expended on Aborigines in this program. Expenditure attributed to Aboriginal clients in this manner is an unreliable guesstimate and is also higher than the 17 per cent of public housing tenants estimated by the department to be Aboriginal.

*Rates and taxes on urban housing stock*
The DLH estimated, on the basis of Aboriginal clients representing 17 per cent of public housing stock residents, that $1.5 million in 1990-91 was allocated to meeting rates and tax requirements for such Aboriginal dwellings.

3.1 Education

In 1990-91, the NT spent, by its own estimation, $45.9 million on Aboriginal education. These funds were primarily allocated through mainstream programs with Aboriginal elements, or with particular relevance. The sole Aboriginal specific program was the higher education program run for Aboriginal and Islander people at Batchelor College, for which the NT expended $2.3 million.

Within its primary and secondary schools expenditure of $35.1 million, the NT allocated $28.2 million for its remote schools program, $2.1 million for residential colleges and $0.4 million as capital grants. This funding is through Commonwealth special purpose payments; although the total amount includes $0.7 million in ABSTUDY payments to support students studying at Yirrara College.
The NT also directed $3.8 million to TAFE programs, with an additional $1.8 million being joint Commonwealth-NT funds, and $2.4 being Commonwealth funds towards TAFE programs; a total of $8.0 million. These funds were allocated by means of specific purpose payments through the NT Government. Program delivery of TAFE courses in the NT also occurs through an emerging network of private providers, including the mining industry. There are no data available as to the funding allocated by such private providers. The NT also estimated an expenditure of $0.6 million in 1990-91 on provision of school bus services to major centres outside Darwin. A physical sampling of these services was conducted to ascertain the proportion that related to Aborigines (NT data file).

4.1 Transport and communications

Commercial television services
The only program within this major expenditure category which has a specific Aboriginal element is that of commercial television services, where the NT allocated $2 million in 1990-91. It is likely that this expenditure consisted of a direct payment to the NT Government from ATSIC to enable the former to purchase Imparja Television packages (ATSIC 1992a: 68). The remainder of the $26.6 million total expenditure in this budget category was allocated to mainstream programs with particular relevance (see Table 1 for a list of these).

Roads
The main expenditure area in the budget category of 'transport and communications' are roads programs, on which the NT allocated $23.6 million in 1990-91 (Table 1). Of this, $17.4 million was estimated to have been the Aboriginal component of capital and recurrent expenditure on all road types. This latter expenditure total included 25 per cent of 'day labour output' which, in 1990-91, had a gross value of $6.3 million (NT data file). It may well be that part of this expenditure on labour costs can be attributed to funds provided to Aboriginal community councils and local government bodies to contract Aboriginal workers for maintenance of local roads. However, there is no data available from which to measure the Aboriginal component.

The estimation of $17.4 million appears to have been based solely upon a pro-rata charge against total costs, 'at 25 per cent, being the percentage of Aboriginals in the NT population' (NT data file). Apart from the erroneous proportion representing the Aboriginal population (which should be 22 per cent and not the 25 per cent, or 20 per cent variously cited in the NT data file), it is difficult to confirm the accuracy or otherwise of this figure. The NT also estimated an expenditure of $6.2 million attributed to the Aboriginal Essential Services (AES) element of its road (capital and maintenance) program. The objective of this program element is to facilitate travel between remote communities and 'the primary Australian road networks' (NT data file). No details are provided as to how this expenditure total was estimated.

5.1 Law, order and public safety

In 1990-91, the NT Government allocated a total of $27.2 million to this expenditure category. The NT included in its estimation of expenditure within this category an allocation of $0.579 million; being for provision of legal representation for the NT Attorney-General at land claim inquiries. This expenditure has been omitted here from a consideration of 'services' and programs for Aboriginal people in the Territory.

The NT runs two Aboriginal specific programs within this area ('Aboriginal police trackers' and 'Aboriginal aides') which accounted for 5 per cent ($1.5 million) of total expenditure in this budgetary category. The remaining expenditure is allocated through mainstream programs and in particular, services and programs to do with custodial and court areas (see Tables 1 and 2).
Policing
The NT Government estimated that policing services to urban and Aboriginal communities by the NT Police, Fire and Emergency Services accounted for $7.3 million. It is unclear how this amount was estimated. Expenditure by the Police Services Department on these mainstream and the above Aboriginal specific programs amounted to 13.8 per cent of its total actual expenditure of $63 million in 1990-91.

Court and custodial services
By far the greatest percentage of funding in this budgetary category comes within the area of 'court and custodial' programs. The NT estimated that in 1990-91 it spent $0.5 million within the Supreme Court of the NT, and $0.9 million within the Magistrates Courts, dealing with 'matters before the court which involve Aboriginal people' (NT data file). There is no data available to indicate the actual proportion of Aboriginal people 'using' the court system. The NT based its estimates solely on the proportional representation of the Aboriginal population within the total NT population. Again, the higher figure of 25 per cent has been used, as opposed to the more accurate figure of 22 per cent. In any case, it is likely that even the higher percentage is a significant underestimate, in view of figures regarding incarceration and detention rates of Aboriginal people in the NT.

The Royal Commission into Aboriginal Deaths in Custody (RCIADIC) noted that in 1989-90, some 79 per cent of sentenced prisoners in the NT prison system were Aboriginal people (Commonwealth of Australia 1991a: 193-246). It also found that the NT had by far the highest overall custody rate, reflected in high Aboriginal custody rates. In data supplied to the ATSIC Secretariat, the Territory noted with respect to youth court orders issued in 1989-90, that some 62 per cent were for Aboriginal offenders.

Data for 1990-91 from the NT Department of Correctional Services indicate that approximately 72 per cent of all prisoners in the NT prison system (including Darwin, Alice Springs and Gunn Point Prisons) were Aboriginal people. The Custodial Services (Prison) program for 1990-91 amounted to $17.9 million, allocated by the NT Parliament Appropriation Bill (NT data file). The Aboriginal component of this was a significant $12.9 million. Similarly, the NT estimated that Aboriginal detainees consistently comprised 80-84 per cent of all youth in juvenile detention centres in the Territory. These centres include Malak House (Darwin), Giles House (Alice Springs) and the Wilderness Work Camp (Wildman River). Of the total expenditure by the Department of Correctional Services on these centres of $2.8 million in 1990-91, $2.7 million was estimated as the Aboriginal component.

In total, $16.8 million was spent by the NT Government on incarceration and custodial programs with respect to Aboriginal people from a total expenditure in those areas of $25.612 million. This expenditure amounts to 68 per cent of the total expenditure on those programs.

6.1 Assistance to other governments
The NT estimated that in 1990-91 it allocated some $19.5 million, via the Office of Local Government (OLG), to 16 Aboriginal Community Councils and some 33 other Aboriginal organisations to provide local government services. While the NT listed this payment as part of an Aboriginal specific program, the present paper has classified the payment as being more appropriately part of a mainstream program - the provision of local government services - which has particular relevance to Aborigines (see Table 1).

In 1990-91, the NT Government was assessed by the CGC as having spent $22.8 million under the Aboriginal Community Services budget factor for the provision of local government services to Aboriginal communities (Smith 1992). The Commonwealth funds on which this expenditure was based are untied. In financial data provided to the ATSIC Secretariat, the NT Government reported that it allocated some $19.5 million to local government in remote and predominantly Aboriginal communities. This was broken down
into $2.8 million allocated to the NT in the form of a Commonwealth general purpose payment; $12.4 million as NT general purpose; $2.9 as NT specific purpose capital; and $1.3 million as NT specific purpose recurrent payments (NT data file). It is not possible to reconcile how these various payments were expended, nor how they match other figures in annual reports of the OLg and Local Government Grants Commission, or data on NT expenditure assessed by the CGC under the category of Aboriginal Community Services.

7.1 Industry assistance and development/Labour and employment (Aboriginal specific)

Resource Development Scheme (REDS)
This program is being trialled by the NT Department of Mines and Energy (DME). The aim is to provide an information and enterprise development service based on Aboriginal Employment Development Program (AEDP) strategies to assist Aboriginal access to information to make a decision on mining enterprise development and to provide a training and enterprise development framework' (NT data file). The program is oriented to Aboriginal communities located on traditional lands that are prospective for minerals and hydrocarbons, and Aboriginal communities who already have mining activity occurring. In 1990-91, the program was financed by a Commonwealth specific purpose payment. The program is co-ordinated and delivered through DME, together with the Department of Employment, Education and Training (DEET), ATSIC and NT Land Councils. This expenditure represented approximately 0.5 per cent of DME's budget for 1990-91.

Tourism industry assistance and development
The NT Tourist Commission (NTTC) is responsible for this Aboriginal specific program. Market research undertaken by NTTC identified the importance of Aboriginal tourism in fulfilling visitor expectations of a Northern Territory holiday. The objectives of this program are to optimise the economic benefits and employment opportunities for Aboriginal communities 'through increased awareness of, and commercial involvement in tourism' (NT data file). Rural Aboriginal communities were addressed as a priority.

The program expended $0.2 million in 1990-91, funded from within the NTTC's annual appropriation. This expenditure represented approximately 1 per cent of its total actual expenditure for 1990-91. The program is co-ordinated by the Tourist Commission's Aboriginal Liaison Unit and funds are primarily applied to the national and international marketing focus of existing Aboriginal tourism products, rather than towards employment generation for Aboriginal people within the industry itself.

Northern Territory Aboriginal Employment and Economic Development Program (NTAEEDP)
This program is co-ordinated by the Aboriginal Development Branch, Employment and Training Division, of the Department of Education and is oriented towards training objectives outlined in the Commonwealth's AEDP. The program is jointly funded: in 1990-91, the NT allocated $1.1 million and the Commonwealth allocated $0.1 million. The funds are distributed to various groups including individuals, training provider organisations, local councils and Aboriginal service organisations.

8.1 Social security and welfare

Aged and disability services
This program is co-ordinated by the NT Department of Health and Community Services. It encompasses both health and community services delivered by departmental service units and a grants scheme. The program targets the welfare needs of the aged, and disabled people over 16 years. Major activities include rehabilitation services, nursing homes and hostels, home and community care, and the pensioner concession scheme.
Out of a total expenditure of $14.2 million in 1990-91, DHCS attributed exactly half to servicing Aboriginal clients. No data were provided as to how this estimate of Aboriginal usage had been arrived at. It is not clear what proportion of this expenditure was funded by the Commonwealth.

**Family, youth and children’s services**

This program is co-ordinated by the DHCS and provides services either directly, or through grants to community groups which support crisis intervention, counselling and other welfare services to communities, families, women, youth and children. A particular focus is on child welfare. Services co-ordinated by the NT include child protection and adoption, substitute care, financial and material assistance and children's services. Programs funded jointly by the NT and the Commonwealth include the supported accommodation assistance program, remote areas funding, and home and community care.

The NT estimated that of a total expenditure in this area of $15.3 million in 1990-91, exactly half was attributed to the costs of servicing Aboriginal clients. Again, there is no data provided as to how this estimate was arrived at. It is not clear what proportion of the Aboriginal component was funded by the Commonwealth.

**9.1 Culture and recreation (Aboriginal specific)**

*Aboriginal recreation*

This program is co-ordinated through the NT Office of Sport, Recreation and Ethnic Affairs. It funds Aboriginal organisations to operate sport and recreation programs in Aboriginal communities. In 1990-91, approximately $0.5 million was attributed to expenditure in this program.

*‘Aboriginal Video Magazine’ and newspaper*

The responsible agency for this service is the NT Department of the Chief Minister. The NT attributed $0.6 million expenditure to this program in 1990-91.

**9.2 Culture and recreation (mainstream with particular relevance)**

*Youth recreation*

This program is co-ordinated by the NT Office of Sport, Recreation and Ethnic Affairs and directly funds organisations to provide recreation activities for people aged between 12 and 25 years. In some cases Aboriginal people are the majority participants in initiatives funded; in other cases they are not. The NT attributed $0.6 million to this program in 1990-91, although it is unclear whether these are total funds available, or the Aboriginal component of expenditure.

*Vacation care*

This program is co-ordinated by the NT Department of Sport, Recreation and Ethnic Affairs which funds community organisations and school councils to provide activities for people aged 5-12 years. The program is targeted to children of working parents and those in 'special circumstances', e.g. isolated, handicapped, with sole parents, and Aboriginal. Out of a total expenditure of $0.2 million in 1990-91, the NT attributed approximately $0.04 million to servicing Aboriginal clients. No explanatory data is available for this estimate.

*Facilities development*

This program is co-ordinated by the NT Office of Sport, Recreation and Ethnic Affairs. The program has been established in recognition of the NT's lack of development in the area of sports and recreation facilities prior to self-government. The NT estimated an expenditure on this program of $2.1 million in 1990-91, but it is not clear whether this represents the total or the Aboriginal component.
Conservation management of NT lands

This program is co-ordinated by the NT Conservation Commission (NTCC) and covers all parks, wildlife, land conservation, bushfire control, environment and heritage. The Aboriginal target groups in this program are 'traditional owners with a continued interest in occupying or using land of conservation value, and Aboriginal landholders managing land for sustainable productivity' (NT data file).

The NTCC attributed $1.9 million expenditure as the Aboriginal component of this program in 1990-91. This represented a 'best possible estimated component' for its operational expenditure only (spent directly on Aboriginal land). As the NTCC's ongoing programs do not differentiate between Aboriginal and non-Aboriginal land, a more detailed breakdown of the expenditure was not possible.

References


CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH (CAEPR) DISCUSSION PAPERS

1. 'From exclusion to dependence: Aborigines and the welfare state in Australia' by J.C. Altman and W. Sanders (March 1991).


3. 'Aboriginal socio-economic status: are there any evident changes?' by H. Tesfaghiorgis and J.C. Altman (March 1991).


5. 'The CDEP scheme: administrative and policy issues' by J.C. Altman and W. Sanders (September 1991).

6. 'The participation of Aboriginal people in the Australian labour market' by A.E. Daly (September 1991).

7. 'The impact of welfare on the economic status of Aboriginal women' by A.E. Daly (September 1991).


12. 'Appropriate income support for Aboriginal Australians: options for the 1990s' by J.C. Altman (October 1991).


15. 'Funding allocations to Aboriginal people: the Western Australia case' by W.S. Arthur (December 1991).

16. 'The employment of Aboriginal Australians in the labour market' by A.E. Daly (December 1991).

17. 'Spatial mobility of working age Aborigines in settled and remote Australia: a preliminary analysis' by J. Taylor (December 1991).


22. 'Industry segregation among employed Aborigines and Torres Strait Islanders' by J. Taylor (March 1992).


27. 'Political spoils or political largesse? Regional development in northern Quebec, Canada and Australia's Northern Territory' by C. Scott (August 1992).

28. 'Survey or census? Estimation of Aboriginal and Torres Strait Islander housing need in large urban areas' by J. Taylor (September 1992).


31. 'Estimating Aboriginal and Torres Strait Islander fertility from census data' by K.W.H. Gaminiratne (November 1992).

32. 'The determinants of Aboriginal employment income' by A.E. Daly' (November 1992).