The Demise of ATSIC? Accountability and the Coalition Government

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ATSIC has been portrayed by the Coalition government as an organisation that is not financially accountable and, because of this, is not achieving positive service delivery outcomes for Aboriginal people. Drawing on documentary material and fieldwork data, this article argues that ATSIC is indeed accountable and that the Coalition is putting the accountability argument forward as a means of justifying the dismantling of ATSIC. Given the past and recent actions taken by the Coalition, it is unclear how much longer ATSIC will be able to survive in its current form.

The Aboriginal and Torres Strait Islander Commission (ATSIC) is the subject of significant debate as its role comes under intense scrutiny by the Commonwealth government. One of the most strident debates centres on the link between the judicious expenditure of public funds and achieving improved outcomes for indigenous people. On one side of the debate, mainstream politicians are saying that ATSIC is not accountable for the funds it receives and that more accountability is required if more positive outcomes are to be achieved. On the other side of the debate are those who argue that ATSIC is financially accountable and is successfully providing services to indigenous people in a hostile political environment.

This paper argues that the primary concern of the Coalition government is the portrayal of ATSIC as an unaccountable organisation to justify the dismantling of the commission. It is not with achieving improved outcomes for indigenous people. This argument has three elements. First, the Minister of Aboriginal Affairs is exercising significant decision-making authority that is undermining the role of the elected Board of Commissioners. Second, the Coalition government continues to assert that ATSIC is unaccountable and is demanding that ATSIC be subjected to greater financial accountability in the future, whereas ATSIC is in fact already financially accountable. Third, the government is not addressing the very real lack of accountability which exists in Commonwealth-state relations and the obfuscation of funding pathways that is impacting on ATSIC’s capacity to deliver services to indigenous people. Against this background, it is unclear how much longer ATSIC will be able to survive in its current form.

The first part of the paper outlines the initial accountability debates surrounding the creation of ATSIC. It then discusses the structure of ATSIC and describes the representative and administrative arms and current program divisions. The next section discusses the reach of the minister’s decision-making authority using the 1996 budget quarantines as an example. The issue of ATSIC’s financial accountability is then addressed, including the role of the ATSIC Office of Evaluation and Audit, the 1996 Special Audit, and the proposed role for the Commonwealth Grants Commission in funding allocation decisions. Commonwealth-state accountability issues and diffi-
cultures in tracking indigenous expenditure are then discussed as factors that impact on ATSIC’s ability to deliver programs and services. The next section outlines recent actions taken by the Coalition that undermine ATSIC’s policy role and the commission’s response. The conclusion of the article assesses the future of ATSIC as an organisation.

‘Something of an Amalgam’: Representation, Bureaucracy and Structure

ATSIC was created by the Commonwealth government in November 1989 through the enactment of the *Aboriginal and Torres Strait Islander Act 1989* to replace the Department of Aboriginal Affairs and the Aboriginal Development Commission, both of which had long attracted criticism for not addressing adequately the needs of indigenous Australians. ATSIC administers a diverse range of programs, and views itself as ‘a unique, decentralised organisation, combining representative, policy-making and administrative elements … [and] designed to put into effect the principle of self determination for Aboriginal Australians’ (ATSIC 1996b:2).

ATSIC did not come into being without a tremendous amount of acrimonious debate in parliament. When then Minister for Aboriginal Affairs Gerry Hand first introduced the ATSIC Bill to parliament in December of 1987, the government was subjected to relentless questioning regarding the public accountability of past and current administration of Aboriginal affairs. Specific issues included structure and function, public accountability, Aboriginal representation and non-Aboriginal administration, and decision-making capacities (see Dillon 1996; Rowse 1994; Sanders 1993a, 1993b; Sullivan 1996). When Prime Minister Hawke introduced the substantially revised legislation to parliament in April of 1989, he assumed that his government had found the ‘right balance between the principles of self-management and of overall ministerial responsibility’ and had addressed adequately the concerns of the Opposition (*Commonwealth Parliamentary Debates, H of R Vol. 166:1325*). The changes that had been made to the draft Bill were not, however, sufficient to satisfy the Coalition, the Democrats and other critics and Sanders (1993a) notes that over the following six-month period, over 91 amendments were made to the proposed legislation. Most of the amendments had to do with public account-ability.

ATSIC operates as the peak indigenous elected representative body while, at the same time, it functions virtually as a government department (see Ivanitz 1998; Sanders 1993b). This structure is unique in the Australian public sector and has been described as an ‘innovative structure which ambitiously attempts to combine both representative and executive responsibilities and functions’ (Dillon 1996:89) and as ‘something of an amalgam’ (Chesterman and Galligan 1997:213). The Aboriginal representative arm has dual accountability to both the Minister of Aboriginal Affairs through the *ATSIC Act 1989* and to its Aboriginal constituents. The administrative arm also has a dual role as it is accountable to both the government and to the ATSIC board. The administration is also ‘legally required to serve [government] purposes’ (Coombs 1994:185).

Roles undertaken by the Board of Commissioners, regional councils, the minister and the bureaucracy are guided in principle by the objectives of the *ATSIC Act 1989*. These objectives emphasise the need to ensure the maximum participation of indigenous people in the formulation and implementation of government policies affecting them; to promote the development of self-determination and self-sufficiency; to further indigenous economic, social and cultural development; and to ensure coordination of policies which affect indigenous people at all levels of government.

The Representative Arm

ATSIC’s representative arm consists of 35 regional councils grouped into 16 regional zones and the Torres Strait Regional Authority. Each regional council has a maximum of 12 elected members and elections are held every three years. Individuals elected to regional councils represent the interests of their local communities. As part of the election process, councillors in each zone elect one member to represent them on ATSIC’s national Board of Commissioners for a total elected membership of 17. The minister responsible for ATSIC appoints two additional commissioners plus a chairperson for a total membership of 20. The board is legally required to determine financial priorities, develop budget
estimates and develop annual draft budgets for approval by the Commonwealth minister. It is the joint responsibility of the Board and the 35 regional councils to develop and monitor ATSIC programs and policy at both national and regional levels.4

Each regional council is responsible for the formulation and revision of regional plans that are submitted each year to the Board of Commissioners and contain the expenditure proposals for each program under regional council jurisdiction. Funds are allocated by the Board of Commissioners to the ATSIC regional councils, based on the recommendations of the ATSIC state offices and on the priorities laid out in the regional plans.5 Significant tensions regarding funding allocations arise between the Board of Commissioners and the regional councils (see below).

The Administrative Arm
ATSIC’s administration is staffed under the Public Service Act 1922 and is headed by a chief executive officer (CEO), a statutory officer appointed by the minister who heads a team of Senior Executive Service (SES) officers. The bureaucratic arm is comprised of public servants, many of whom have been working in various incarnations of Aboriginal affairs departments for many years (pers. comm. senior ATSIC bureaucrat 1997) although a new generation of Aboriginal public servants are now moving through ATSIC. The Director of the Office of Evaluation and Audit, also a statutory officer, is a member of the SES. The administration is divided into three tiers: the central office in Canberra, state offices in every capital city and 27 regional offices located throughout Australia.

Current Program Divisions
As of 1997–98,6 there were a total of three program divisions — economic, social and cultural, and corporate and strategic — encompassing 19 subprograms and 22 subprogram components.7 Based on these program divisions and public policy directions, financial assistance to incorporated community organisations is provided by ATSIC through grants to undertake activities on behalf of their communities. These funds are not meant to supplant those provided by state governments for the general population. Nor are they meant to replace other mainstream federal, state or local government funds from which Aboriginal populations benefit.

The appropriations for each of the program divisions in 1997–98 were as follows: economic program, $553,962,000; social and cultural program, $474,449,000; and corporate and strategic program, $128,179,000. The Torres Strait Regional Authority was allocated $34,822,000. The total portfolio expenditure was $1,191,412,000, with program costs amounting to $820,439,660 of this total expenditure. The 1997–98 annual report notes that regional councils administered almost 50 percent of this total expenditure. The report further notes, however, that a large proportion of this money is earmarked for two large programs and that the amount of discretionary funding available to regional councils has declined since 1996.8

The Long Arm of Ministerial Decision-Making
The ATSIC planning and budget cycles reflect mainstream budgeting processes,9 although the ATSIC annual reports state clearly that ‘ATSIC is an independent statutory authority, not a ministerial department’. Theoretically, the commissioners experience relative autonomy in making decisions about the budget, regional council allocations and policy priorities for the coming year as many of the functions previously performed by the Minister for Aboriginal Affairs were transferred to the commission under the ATSIC Act 1989. In reality, the commissioner’s autonomy is restricted as the minister must approve the ATSIC estimates and the form of those estimates. The minister also has ‘a power to issue General Directions to the Commission and Directions about the administration of ATSIC’s finances’ (ATSIC 1997:6).

During the 1996–97 budget cycle, the extent of the power retained by the minister became very clear. The Howard Coalition government made the decision to cut government expenditure by 11 percent and ATSIC’s budget was reduced accordingly. However, the Community Development Employment Program and community housing and infrastructure, which represented approximately two-thirds of ATSIC’s program outlays, were quarantined by the minister. The minister imposed the
quarantine without consulting the commissioners and it meant that the remaining one-third of the ATSIC programs had to bear the brunt of the cuts. The board took the decision that it was better to do a few programs well than weaken the entire structure by trying to continue to do everything. The Community Training Program, the Development of Industry Strategies, the Community and Youth Support Program and the Movement to Award Wages Program were eliminated.

The following budget year provided a four-year funding guarantee to ATSIC. ATSIC’s global budget was increased by $60 million — $15 million per year for the guaranteed period — to accommodate new initiatives. The chair noted, however, that ‘the additional funds by no means offset the loss of $470 million over the years 1996–97 to 1999–2000 announced in the 1996 budget’ (ATSIC 1997:25).

The budget cuts had wide-ranging impacts on the reconciliation process, noted by then chairperson of ATSIC, Lois O’Donohue:

Such outcomes do not sit well with the enduring need to address the underlying causes of Aboriginal disadvantage so forcefully identified by the Royal Commission. Small wonder, too, that many Aboriginal and Torres Strait Islander people now seriously doubt whether the reconciliation process can bear any fruit (ATSIC 1996b:24).

O’Donohue did not dispute that difficult financial times call for difficult decisions on the part of government. She did dispute the fact that the burden of those decisions was not distributed on an equitable basis within government with full regard paid to relative disadvantage and need.

ATSIC and Financial Accountability

It is argued that ‘every stage in the devolution of powers to ATSIC’s Aboriginal arm has been met by increased requirements for public accountability measures’ (Smith 1996:27; see also Dillon 1992; Sanders 1993a, 1993b; Smith 1993b). Evidence of this is provided by examining the role of the ATSIC Office of Evaluation and Audit, the 1996 Special Audit called by the Coalition government into ATSIC expenditures, and recent activities of the Minister of Aboriginal Affairs regarding the proposed role for the Commonwealth Grants Commission in ATSIC funding allocations and state specific programs.

ATSIC’s Office of Evaluation and Audit

ATSIC, while subject to audits undertaken by the office of the Auditor-General, is also subject to its own internal auditing structure. ATSIC is the only independent statutory authority or Commonwealth government department that has its own Office of Evaluation and Audit (OEA), established under s. 75 of the ATSIC Act 1989 to provide financial accountability to parliament. Section 78 provides that the Director of Evaluation and Audit has the authority to evaluate and audit every program that is conducted or funded under the ATSIC Act and the operations of every office of the commission, at least once every three years. The ministerially appointed Director of the OEA takes instructions from the minister and not from the Board of Commissioners.

One of the outputs of the OEA is the portfolio evaluation plan which the minister is required to submit to the Minister of Finance annually. The evaluation strategy requires that the review and evaluation of programs with significant policy or resource implications be identified and undertaken. The evaluations concentrate on the outcomes from programs and administrative functions. They are composed of impact evaluations (primarily concerned with outcomes and whether the program is appropriate to the needs of indigenous people), evaluations of the commission’s grant activities (examining procedural issues which have an impact across all programs), and efficiency and effectiveness reviews (which focus on policies, procedures and outcomes of support functions).

To date the internal audits undertaken by the OEA demonstrate that ATSIC is financially accountable and report no significant problems in this regard.

The 1996 Special Audit

The first cabinet meeting of the Howard government held shortly after the 1996 election discussed the perceived need to bring ATSIC under tighter cabinet control and to focus on Aboriginal accountability for public sector monies. The Coalition announced shortly thereafter the appointment of a Special Auditor to examine the financial documentation of
ATSIC-funded Aboriginal organisations. Gatjil Djerrkura, current chairperson, notes that this appointment, symptomatic of the strained relations between the commission and government, was to determine whether or not the organisations were ‘fit and proper’ bodies to receive public funds (ATSIC 1997:25).

The audit was later found by the Federal Court to be beyond the minister’s powers under the ATSIC ACT as the minister did not have the authority to direct the commission in this way. The findings, however, are worth noting.

The Special Auditor reviewed 1,122 ATSIC-funded organisations and cleared 95 percent of them for funding. In those instances where non-compliance was an issue, it mainly took the form of minor technical breaches such as the late submission of financial and management reports. In contrast, ‘a 1997 survey of company fraud showed that roughly half the 490 large Australian companies surveyed had experienced significant fraud in the last two years’ (Aboriginal and Torres Strait Islander Social Justice Commission 1997:42).

Given these findings, it is clear that Coalition assertions regarding a lack of financial accountability in ATSIC were unfounded.

Tensions, Dual Roles, and the Commonwealth Grants Commission

Two significant tensions regarding funding allocations exist between the Board of Commissioners and the regional councils. First, while the commissioners are expected to make collective funding allocation decisions on the basis of national priorities and budgets, each commissioner is also a member of a regional council. This means that often s/he is caught between doing what is required to satisfy the ‘national interest’ while limiting the need for funding in individual regions. The second tension is in the funding allocations themselves: they do not reflect the actual size and socioeconomic needs of individual regions. What they tend to reflect are historical patterns established by decisions taken by bureaucrats and politicians early in ATSIC’s history and policy-based assumptions made about different needs between urban and rural regions. It is therefore extremely difficult politically for individual commissioners to take actions that would reduce the funding flowing to their particular region. This is problematic as substantial regional socio-economic variations exist within the Aboriginal population and some regions are not receiving the funding they need in order to deliver efficient and effective programs and services (see Sanders 1993a, 1993b; Smith 1993a, 1993b; Tesfaghiorghis 1991).

Horizontal equalisation, whereby distribution principles are harmonised with fiscal equalisation based on the differences between regional councils and the populations they represent, has been put forward as a partial technical solution to this problem by the Commonwealth Grants Commission (CGC) (1993). However, there are a number of limitations that prohibit the adoption of this approach. For example, ATSIC’s limited budget, the variable level of Aboriginal socioeconomic status between regions, the widespread lack of coordination of government funding and service delivery in Aboriginal affairs, and inadequate mechanisms for fairly assessing regional funding needs in the absence of any discrete funding policies make it virtually impossible to implement an equalisation scheme in the absence of political support from the Coalition government (see CGC 1993; Ivanitz 1998; Sanders 1993a, 1993b; Smith 1993a, 1993b; Tesfaghiorghis 1991).

It could be expected that government would seek to address these limitations and would examine issues such as the lack of discrete funding policies and the impact of ATSIC’s limited budget on its ability to achieve more positive service delivery outcomes. This is not the case. Instead, the Minister for Aboriginal Affairs has introduced a Bill into parliament that would give a role to the CGC in ATSIC affairs. This will involve the CGC conducting an investigation into ATSIC operations on an ‘outcome and needs’ basis and having a role in funding allocation decisions based on some sort of equalisation scheme. At the time of writing, full details of how equalisation is to be achieved are not available. However, the Parliamentary Secretary to the Minister of Finance has stated:

the CGC Bill would ensure that indigenous funding would be distributed on a needs basis. The Aboriginal and Torres Strait Islander people will be given opportunities to make both written and oral submissions to the commission and to show it the magnitude of their problems (The Koori
The minister has made it clear that this action has been taken as ATSIC is not, in the government’s view, achieving positive service delivery outcomes. Minimal consultation was undertaken by the minister with the Board of Commissioners on this issue (pers. comm. April 1999). If the bill is passed, it could have the effect of further removing decision-making functions from the commission and could significantly reduce the role regional councils play in funding proposals. The Bill also has the potential for removing the existing financial allocation functions from the ATSIC board and mainstreaming them in the CGC or some other Commonwealth body. On the other hand, the bill has the potential to significantly increase the role of regional councils in decision-making, which is viewed by some commissioners as a positive step (pers. comm. July 1999).

Commonwealth–State Accountability, Aboriginal Expenditure and ATSIC

In considering the issue of accountability, it is critical to remember that ATSIC provides only a portion of the total expenditure on services for Aboriginal people. Substantial funding is also provided by other Commonwealth government departments such as DETYA, state governments and local governments. As we will see, major problems of accountability arise in relation to expenditure of these funds. If the Coalition government’s major concern was, in fact, accountability it would be acting vigorously to deal with problems in these areas.

The states access a number of sources of funds that are used to finance programs and services for Aboriginal people. One source is general revenue assistance provided to the states by the Commonwealth (general-purpose payments). The proportion of assistance provided is calculated through the CGC’s fiscal equalisation process and includes revenue factors such as disabilities. The level of representation of Aboriginal and Torres Strait Islander people in a state’s population and related service expenditure requirements is one of the disabilities which is considered in the calculation (see CGC 1995; Searle 1995; Smith 1996b). However, the states have the sole right to determine how funds will be spent and the level, quality and distribution of programs and services and, as noted by Smith (1996b:9), ‘[i]f a state … decides to offer a lower-than-average national standard level of service to all its citizens or to certain groups of citizens or to certain geographic locations, it has the constitutional right to do so’. In other words, the current arrangements in place between the Commonwealth and the states can allow the states to escape their obligations to Aboriginal people.

The Social Justice Commissioner, ATSIC, and the Council for Aboriginal Reconciliation have stressed the point that Commonwealth and state governments are failing to provide Aboriginal people with access to levels of service acceptable to the non-Aboriginal population in areas of health, education, housing and employment. This failure results in duplication of efforts and overlapping responsibilities as ATSIC attempts to provide adequate funding to regional councils to support the services to Aboriginal communities that are not being provided by Commonwealth and state governments. This results in poor service delivery outcomes as resources are simply stretched too thinly.

The lack of accountability on the part of state governments in providing services to Aboriginal people through general-purpose grants is only one-half of the equation (see Ivanitz 1999; Joint Committee of Public Accounts 1995; Sanders 1995; Smith 1996a, 1996b). The other half is the multiplicity of specific-purpose payments flowing between government agencies operating at different levels of government in similar policy areas.

Specific-purpose payments (SPPs) are paid mainly to state governments by the Commonwealth to fund activities on the condition that certain performance and accountability criteria are met. While these grants have traditionally had conditions attached, these conditions are seldom reported on by the states and it would appear, in some cases, that SPPs are treated as substitute general-purpose funding. Auditors-General have noted that while the arrangements for almost all SPPs require adequate assurance to be provided by the state that Commonwealth funds are being expended on intended purposes (such as Aboriginal housing programs), consistent delays in the provision of statements of expenditure and independent certification indicate a failure of accountability. The issue
that is not addressed, however, is that the Aboriginal people who are intended to benefit from the SPP-funded services are not benefiting as they are not receiving the services.

In summary, while a large part of funds earmarked for Aboriginal service provision flow through the states, the Commonwealth has an ongoing problem of ensuring state cooperation and financial and performance accountability in the administration, management and acquittal of tied grants. Further, the Commonwealth has no authority over the expenditure of general-purpose payments. As there appears to be little compelling the states to comply with proposals for reform, it is questionable whether any change in this situation is imminent. The behaviour of the states poses a problem for ATSIC in terms of inadequate service provision, duplication and cost inefficiencies, and the total obfuscation of actual expenditure. This results in duplication of efforts and overlapping responsibilities as ATSIC attempts to provide programs and services to Aboriginal people that are in reality the responsibility of the state.

Another problem arises when the highly visible expenditure on Aboriginal people through Commonwealth and state Aboriginal affairs portfolios is combined with slightly less visible expenditure through Aboriginal-specific program elements in mainstream portfolios, and the ‘largely invisible inclusion of Aboriginal people in mainstream programs of mainstream portfolios’ (Sanders 1993a; see also Smith 1992). ATSIC’s ability to track expenditure pathways for Aboriginal programs within this context is virtually non-existent as:

Typically, governments have no clear overview of the total state funding situation, let alone that for a regional of specific Aboriginal community … no mechanisms whereby data relating to state expenditure on programs for Aboriginal people are comprehensively disaggregated … it is not possible from published documents to trace Commonwealth or state government expenditure for a range of budgetary functions down to individual communities (Smith 1992:1).

The end result is that it is very difficult, if not impossible, to determine actual program and service delivery and Commonwealth/state expenditure on Aboriginal affairs, and to link this expenditure with outcomes. This obfuscation makes ATSIC an easy target for government in assigning culpability for poor service delivery outcomes and, if the Coalition government was serious about improving service delivery outcomes for Aboriginal people, it would do something about it.

**Deteriorating Relationships: ATSIC and the Coalition**

In the 1996–97 annual report the ATSIC chairperson expressed a hope that the coming year would see a significant improvement in relations between the Coalition government and the Board of Commissioners. One year later, the 1997–98 annual report noted that not only did relations not improve, they had become significantly worse as the Coalition appeared to no longer consider ATSIC to be a primary source of policy advice. In March of 1998 the ATSIC Board passed a motion of “no confidence” in the Minister of Aboriginal Affairs.

The immediate trigger for the vote of no confidence was a series of proposals made by the minister that would have directed the board to transfer $29 million from the Community Housing and Infrastructure program to the Torres Strait Regional Authority and a further $30 million from Community Housing and Infrastructure to the Commercial Development Program. Further, the minister also wanted to transfer ‘significant funds out of the Commission’s budget to establish an Office of Indigenous Policy’ (ATSIC 1998:19). These proposals involved no prior consultation with the Board of Commissioners. This situation was exacerbated by the government’s conduct in the debate over amendments to the *Native Title Act 1993* as “[a]t the critical stage the Government failed to consult with the Board, its principal Indigenous policy adviser and the elected representatives of the people most affected by the amendments. In contrast, industry groups were afforded much greater access” (ATSIC 1998:16).

In spite of the strenuous objections of the Board of Commissioners, the proposed financial transfers, while eventually reduced ($15 million, $10 million and $7 million respectively), went ahead thereby eliminating $32 million from the ATSIC Community Housing and Infrastructure program.
The transfer of $7 million to the newly created Office of Indigenous Policy within the Department of Prime Minister and Cabinet is significant in its own right. The board made it clear to the minister that ATSIC wished to remain the principal source of policy advice to government, but this would depend on government accepting the right of indigenous Australians to have their own points of view (1998:25), and that instead of challenging ATSIC’s role as a policy-making body, government should understand and accept that role. The chairperson argued that the government has not done so and that the Office of Indigenous Policy will greatly ‘undermine ATSIC’s role as the principal adviser to government on Aboriginal and Torres Strait Islander affairs’. It is also noteworthy that, out of a staff complement of 42, only two people working in the Office of Indigenous Policy are indigenous.

Conclusion

The evidence indicates that the primary concern of the Coalition government is the dismantling of ATSIC, rather than achieving improved service delivery outcomes for Aboriginal people. The minister has usurped a significant amount of decision-making authority from the ATSIC Board of Commissioners and has taken steps to mainstream financial decision-making authority and policy advice. Further, the Coalition government, as well as other mainstream conservative politicians, refuse to accept that ATSIC is financially accountable. The government is also unwilling to take action to eliminate the lack of accountability in Commonwealth–state fiscal arrangements and clarify funding pathways, both of which lead to poor service delivery outcomes for Aboriginal people and confuse lines of accountability. Further, the Coalition government will not acknowledge that ATSIC is filling the service delivery gap that occurs when Commonwealth and state governments fail to provide services to Aboriginal people.

Will ATSIC survive if the Coalition government continues on its present course? In the view of the current chairperson of the ATSIC board, the answer is ‘no’. In a recent interview with the Koori Mail, Gatjil Djerrkura expressed his grave fears for the survival of the organisation in its present form as ATSIC is losing ‘more and more functions … at the end of the day, they will say, all the functions have gone from ATSIC, there is no need for ATSIC any more, close shop’ (April 7 1999).

Notes

1. The term ‘indigenous’ refers to both Aboriginal and Torres Strait Islander peoples.
2. These debates are not confined to the arenas of indigenous affairs. They are a significant part of broader community debates that were brought to the surface by the election of the Howard Coalition government in 1996 and by independent member Pauline Hanson. Part of Hanson’s speech made in September of 1996 at the opening of parliament states ‘We now have a situation where a type of reverse racism is applied to mainstream Australians by those who promote political correctness and those who control the various taxpayer funded ‘industries’ that flourish in our society servicing Aboriginals … Along with millions of Australians, I am fed up to the back teeth with the inequalities that are being promoted by the government and paid for by the taxpayer under the assumption that Aboriginals are the most disadvantaged people in Australia … This is why I am calling for ATSIC to be abolished. It is a failed, hypocritical and discriminatory organisation that has failed dismally the people it was meant to serve’ (Commonwealth Parliamentary Debates).
3. It is beyond the scope of this paper to address the Torres Strait Regional Authority.
4. For details on the interactions between the Board of Commissioners and the regional councils see ATSIC Annual Report, various years.
5. Planning and decision-making on expenditure priorities at the regional level is limited in scope, as a number of items are referred to as ‘Commission Items’ and are excluded from regional council discretion (for example, state grants, housing loans). In addition, there are a series of programs that are considered to be ‘national’ in scope and are therefore excluded from regional decision-making, such as Aboriginal Hostels Ltd.
6. This year has been used as the most recent budget appropriations are for the year 1997–
7. For a detailed breakdown of sub-programs and components see ATSIC Annual Report, various years.
8. The 1996–97 annual report noted that regional councils administered approximately 58 percent of ATSIC’s program budget.
9. For detail on the budget process see ATSIC Annual Report, various years; Commonwealth Department of Finance 1996; Ivanitz 1997.
10. Detail on the specific evaluations and audits that have been undertaken is available from the OEA.
11. For detail on Aboriginal expenditures see the budget papers provided by each government as well as documents such as the Queensland Government Progress Report on Implementation of the Royal Commission into Aboriginal Deaths in Custody 1997.
12. It must be noted that state governments take a different view. For example, services are indeed being provided to ATSIC peoples. Further, the expenditure of general revenue funds is solely at the discretion of the states, no matter how they were argued before the CGC.
13. The Joint Committee of Public Accounts notes that a very small number of SPPs paid to the states are not subject to expenditure conditions by parliament. They are typically revenue-sharing arrangements or compensation either for the transfer of programs or for other Commonwealth action. An example is the Compensation–Companies Regulation (Foregone Revenue Payments) SPP.
14. Smith (1996a) is of the view that since the early 1970s SPPs have been increasingly used by the Commonwealth to directly fund functions that are, or are interpreted to be, areas of joint responsibility. He also notes that SPPs have been used by the Commonwealth to influence areas over which the Commonwealth has no jurisdictional power. This perception held by the states may have some impact on the recalcitrance with which the states meet accountability requirements (see also Auditor-General of Australia 1991, 1994, 1995).
15. Land Rights Queensland notes that the minister’s spokesman did say that ATSIC was still the main source of policy advice as it is ‘providing 10 times as many briefs to the minister daily as OIP’ (April 1999) and that the Office is to provide a ‘whole of government approach’. Chairperson Djerrkura has noted, however, that the minister now uses the OIP for all its advice and less of ATSIC, which is the ‘main vehicle for Indigenous Australians to exercise our voice and opinion in the political arena’.

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