Tackling the ‘Indigenous Industry’

Submission to the Senate Finance and Public Administration Reference Committee: Inquiry into Commonwealth Indigenous Advancement Strategy Tendering Processes

Prepared by

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When the Howard Government closed down the Aboriginal and Torres Strait Islander Commission (ATSIC) in 2004 and mainstreamed its programs under the COAG National Framework of Principles for Delivering Services to Indigenous Australians, it set in train a process whereby progressively more and more services to Indigenous Australians were outsourced to mainstream organisations, both for-profit and non-profit, effectively decimating the Indigenous community controlled services sector, and in the process adding further stimulus to the growth of the ‘Indigenous industry’. This growth has had two very major and related consequences. The first is an overall decline in the social and emotional wellbeing of Indigenous people and their communities as measured by, inter alia, the rapidly escalating rates of incarceration, domestic violence, self-harm and suicide, and child removal. The second concerns the threatened closure of many of remote communities in WA and SA, ultimately forcing Traditional Owners off country to become fringe-dwellers in regional towns, and thereby exacerbating the problems caused by the decline in social and emotional wellbeing.

The Indigenous community controlled sector

This sector comprises the Indigenous community based and controlled organisations that provide infrastructure and services, employment and training, and generate community-based businesses. There are about 5,000 Indigenous organisations: around half of which are registered with the Office of the Registrar of Indigenous Corporations (ORIC). A conference version of this paper was presented at the Indigenous Employment Excellence Forum 2015 (March 25-27) at the Novotel Central Sydney under the title “Supporting the Indigenous Community Sector through Building Community Partnerships”.

1 An Elder of the Gimuy Walubara Yidinji people, traditional owners of the land of which the City of Cairns now stands, Associate-Professor (Indigenous Engagement) Central Queensland University (Cairns Campus), Visiting Fellow, United Nations University – Institute of Advance Studies (Yokohama, Japan), and a director of Bukal Consultancy services P/L. A conference version of this paper was presented at the Indigenous Employment Excellence Forum 2015 (March 25-27) at the Novotel Central Sydney under the title “Supporting the Indigenous Community Sector through Building Community Partnerships”.


4 Also referred to as the ‘Aboriginal industry’ and the ‘Indigenous welfare industry’. The ‘Indigenous industry’ has long been a feature of the Indigenous administrative landscape. For an Indigenous view of this industry see Georgatos (2013). See also Empowered Communities (2015:55, para. 26).

5 More work needs to be done on defining this sector. For the purpose intended here, community controlled organisations, whether or not registered with ORIC, meet the “Indigeneity requirement” of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) (CATSI Act) that a majority of members and directors must be Indigenous (the “CATSI Act test”). However, should the sector include, for example, Aboriginal and Torres Strait Islander community councils established under state/territory local government legislation? Such councils would meet the “CATSI Act test” insofar as all their councillors are Indigenous and the majority, if not all their electors are Indigenous, however, they are statutory bodies operating at the third tier of government, whereas, community controlled organisations are community initiated organisations established to serve a particular need or purpose.
of the Registrar of Indigenous Corporations (ORIC) with the other half registered under other legal structures (the Australian Securities and Investment Commission, and state and territory laws).  

Many of these organisations are registered charities. While current data does not identify which of these organisations are Indigenous-controlled charities, the Australian Charities and Not-for-profits Commission (ACNC) estimates that there are 2,000-3,000 Indigenous-controlled charities registered with the ACNC spread across Australia. Preliminary estimates in December 2012 indicated that approximately 625 charities were registered with ORIC with the remaining Indigenous-controlled charities registered with a different legal structure. The large majority of these charities have charitable status as Public Benevolent Institutions (PBIs), including many land councils, Registered Native Title Bodies Corporate (commonly referred to as PBCs) and Indigenous community art centres – which perpetuates the “charity as welfare” paradigm. For example, of the 101 PBCs that had submitted their 2012-13 General Reports, 12 had PBI status, but 58 were positioned to become PBIs. Thus nearly 70 per cent of the PBCs had PBI status or were aspiring to become PBIs. The dominant purpose of a PBI is the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness. Other purposes and activities must be incidental to that purpose, and will be minor in extent and importance. This leads to the absurd situation whereby many Indigenous community organisations established, for example, to provide Indigenous ranger/caring for country services or to carry out art activities, subordinate these purposes, when they become a PBI, for the relief of poverty, etc. The prescribed functions of PBCs under the Native Title Act 1993 (Cth) are to:

- hold, protect and manage determined native title in accordance with the objectives of the native title holding group
- ensure certainty for governments and other parties interested in accessing or regulating native title land and waters by providing a legal entity to manage and conduct the affairs of the native title holders.

This would appear to be in conflict with the primary or dominant purpose for which PBIs are established.

With regard to employment, there appears to be no reliable data on Indigenous employment within the Indigenous community controlled sector, so there is no accurate way of knowing how the sector is travelling compared to other mainstream sectors (public and corporate, for-profit and non-profit) and across the five areas defined in the Australian Statistical Geographical Standard developed by the ABS (namely: major cities, inner regional, outer regional, remote and very remote). While ORIC,
for example, reports on the Top 500 of the approximately two-and-a-half thousand ORIC-registered Aboriginal and Torres Strait Islander corporations, its employment statistics do not distinguish between Indigenous and non-Indigenous employees, although it does report on the gender of directors. ORIC also does not compile data on the overall number of people employed with ORIC-registered corporations.\(^\text{13}\) The Top 500 are comprised of large and medium sized corporations, although nearly three-quarters of ORIC’s registrations are small corporations with less than five employees.\(^\text{14}\) In fact, the huge majority of small corporations have no paid employees and rely heavily on volunteer input to run their organisations. A case in point is the PBCs. Of the 90 out of a total of 108 PBCs that submitted their 2012 General reports, 55 (61%) had no income, and 66 (73%) had no employees. Of the 108 that had submitted their 2013 General Reports, while 18 employed a total of 185 people, the remaining 90 PBCs had no employees.\(^\text{15}\) In other words, these 90 PBCs have no capacity to carry out their prescribed functions under the \textit{Native Title Act 1993} (Cth) to, for example, manage their native title estate, monitor and enforce their Indigenous Land Use Agreements, deal with the steady stream Future Act Notices, and respond to requests for information from schools, tourists and government agencies.

In 2012-13 the Top 500 employed 12,200 people. We could perhaps extrapolate on the basis of a survey of Indigenous businesses carried out in Queensland that found that the proportion of Indigenous employees in Indigenous-owned enterprises is around 70 per cent\(^\text{16}\), so the overall number of Indigenous employees in the Top 500 could be around 8,500. If figures are similar for the “Top 500” non-ORIC registered Indigenous entities, then there could be around 17,000 Indigenous people employed in the top 1,000 Indigenous companies. However, if the remaining 2000 ORIC-registered small corporations employ a total of 3,000 Indigenous people, and, together with a similar estimate for non-ORIC registered Indigenous entities, then the Indigenous community controlled sector could employ around 23 - 25,000 Indigenous people. According to ABS data from the 2011 Census, there were an estimated 173,800 Indigenous people 15 years and over who were classified as employed.\(^\text{17}\) Thus the Indigenous community controlled sector could account for roughly 13-14 per cent of Indigenous people with jobs.

With regard to the Top 500 ORIC-registered corporations, the vast majority are not-for-profits whose objective is not to generate profit or wealth but to use their resources to further their not-for-profit

\(^{13}\) Although this could be done through a painstaking process of opening the Annual General Report file of each of the corporations and tallying the number of employees listed in each report.

\(^{14}\) For administrative and reporting purposes, ORIC classifies Indigenous organisations as small, medium or large according to the following criteria:

1) A \textbf{small organisation} must satisfy at least two of the following: (i) income of less than $100,000; (ii) consolidated gross assets of less than $100,000; and (iii) less than 5 employees.

2) A \textbf{medium sized organisation} typically has: (i) income between $100,000 and $5 million; (ii) assets worth between $100,000 and $2.5 million; and (iii) employ between 5 and 24 people.

3) A \textbf{large organisation} must meet two of the following criteria: (i) income of $5 million or more; (ii) assets of $2.5 million or more; and (iii) employ more than 24 people.

\(^{15}\) See also ORIC (2014:18-21).

\(^{16}\) This survey found that the proportion of Indigenous employees in Indigenous enterprises is, on average, 72.4 per cent. In non-Indigenous businesses, it’s 0.7 per cent. In jointly owned (50/50 equity), the Indigenous employment average is 49.6 per cent (Hunter 2014, cited in BCA 2014:14).

purposes. This would also be the case for the other 2,000 ORIC-registered corporations. The Top 500 are heavily represented in the services sectors – health and community services (212 corporations), employment and training (105) and education and child-care (66), whereas only 6 corporations are engaged in the mining sector and 4 in manufacturing. This contrasts with the mainstream business sector, where over a third (5390) of the 15,000 Indigenous people employed by the Business Council of Australia (BCA) member companies under its Indigenous Engagement Strategy worked in just the one sector - in mining, energy and mining-related services.

Local Indigenous community organisations generally share the following characteristics. They:

- Embody the principles of local community responsibility, self-determination, control and self-management
- Recognise the importance of leadership from their Elders
- Build on the strengths of language and culture, community, family and connections to country;
- Use a “bottom-up” approach to owning, managing and dealing with community matters, as opposed to the “top-down” approach imposed by government;
- Authentically embed Indigenous ways of being and doing.
- Enable the development of community capacity and leadership to effect change.

In essence, these characteristics enable “black-fella organisations to do black-fella business black-fella way” and cannot be duplicated by mainstream government and non-government service providers. Or, as expressed more formally by Dr Christine Bond, Oodgeroo Unit QUT and board member of InalaWangarra:

Indigenous people are more than consumers of social services; we have the skills and capabilities to drive the services of our community. Our model of service delivery requires us to employ local Indigenous people and build the capacity of the workforce within our community and this is what makes the Indigenous community controlled sector so critical to achieving the Closing the Gap targets.

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18 ORIC (2014:10).
19 ORIC (2014:12).
20 BCA (2014:10).
21 See, for example, articles about community organisations in National Indigenous Times (2014, 2013a and 2013b).
22 Nick Blackman, former CEO of the EnViZion Group Inc., Cairns. pers. comm. (26/7/2013).
23 For a tabulated comparison of the characteristics of service delivery organisations – external providers and Indigenous organisations, see Empowered Communities (2015:65).
24 Bond (2015). InalaWangarra was unsuccessful in its bid for an IAS grant. Commenting on the organisation, Dr Bond pointed out that:

Recently our organisation was funded around $50,000 to deliver an outcome of 20 Indigenous people into careers as security guards, which was well shy of the actual cost of the program. Just this week 20 local Indigenous people in Inala graduated from the program with a Certificate II in Security, Certificate III in Hospitality, and received their blue cards, police checks and security licenses and now all are embarking on careers with a security company in our region. For that small investment, the CEO is dealing with 3 different state and federal funding providers, writing grant applications and acquittals for each one, on top of regular visits and phone calls from funding providers just to check on how we are doing, with another requiring written monthly reports. Part of the funds for this
Many of these small locally-based grass-roots organisations were established under and mostly funded during the ATSIC years through the ATSIC regional council system. They became the hub for their communities providing refuge and social and cultural space, delivering a range of front-line services, and creating a platform for community cohesion and development. They frequently sourced funding from a range of federal and state/territory programs and agencies thus providing order and coherence in service delivery, thereby minimising the need for a multi-agency presence within the community.25

In many cases, these Indigenous organisations fulfilled a critical connecting role between Indigenous communities, governments and the broader community. For much of Australia, they functioned at the level of local government, providing a range of essential services. They were therefore a fundamental part of the sustainability of investments by higher levels of government agencies in Indigenous outcomes26, including those associated with closing the gap on Indigenous disadvantage.

The ‘Indigenous industry’27

The “Indigenous industry” has been described by Warren Mundine as, a “state-sponsored poverty industry created by state-sponsored chronic welfare dependence fostered by bureaucratic incompetence.”28 Its growth has largely taken place at the expense of the Indigenous community controlled sector. The Indigenous industry is characterised and represented by the rapidly expanding numbers of mostly non-Indigenous bureaucrats, “middle men”, advisors, consultants, contractors, counsellors, employment trainers and mainstream service providers - government and non-government - delivering federal and state/territory Indigenous-specific programs that soak up much of the Indigenous affairs budget in administrative costs29, and management, contractor and consultancy fees.30 The participants in this industry are more accountable to government than to

25 Although this may not make it any easier for the organisations concerned as this example illustrates: In 2013, the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women’s Council received total funding of approximately $10 million. The Women’s Council was required to enter into 41 agreements with agencies of the Commonwealth and the governments of South Australia, Western Australia and the Northern Territory. These arrangements imposed a huge administrative burden on the Women’s Council, which in just one year was required to submit more than 120 financial reports and nearly 100 non-financial reports. In 2010, the Women’s Council estimated that it had spent 7,399 hours seeking funds, dealing with funding bodies and complying with reporting requirements, reviews and evaluations (Empowered Communities 2015:57).

26 Moran and Porter (2012)
27 For a detailed and precise analysis of this industry, see Empowered Communities (2015:50-76).
28 Mundine (2014b).
29 It has been suggested that government administration costs associated with Indigenous funding may be in the order of 70 per cent “as a general rule.” (Empowered Communities, 2015:58, para. 42).
30 Professor Gerritsen, Charles Darwin University, has offered some insights as to why both federal and NT bureaucracies are failing Indigenous peoples. Among the problems he identified were: (i) The post-colonial mindset among Darwin public servants [which] did not allow them to grasp the complexities of delivering services to remote Aboriginal communities, causing a breakdown in the basic workings of government; (ii) Canberra’s inability to grasp the human or geographical complexities of the NT [which] only exacerbated the failure, and added to the cost of trying to deliver services, whether they be education, housing or health; (iii) The NT’s public service reflected the white community in which it worked, dominated by expatriates who were not long-term residents and who were more focused on leaving Darwin than staying, [resulting] in a staff turnover [of] about 35 percent; (iv) A lack of capacity in the NT, whether it be bureaucratic or fiscal...
the Indigenous people and communities to whom they provide services, usurping the role and responsibility of communities in delivering services and programs to their own members. As one Aboriginal person commented: "We’re only 2 per cent of the population, but we’re a multibillion dollar industry." In the words of another observer:

There is a self-serving Aboriginal industry that is about guaranteeing its own ongoing existence which actually sometimes requires the disadvantage and disengagement of indigenous people to continue... [A system of service provision that] is willing to offer compromised and lower-grade services to Indigenous Australians compared to the mainstream.

As Noel Pearson points out:

I am highly sceptical of these NGOs [organisations that routinely deliver social programmes that dominate the Territory scene] because they have shown little demonstration of having moved much beyond the old passive welfare paradigm. Their other problem is that, as recipients of commonwealth government service delivery contracts, they have no long-term commitment to the people and the places they serve. They have no roots in these troubled communities and they have no long-term stake or responsibility for their futures.

Warren Mundine also recently pointed out that the, “‘indigenous industry’ thrives because we don’t trust the communities. ...The attitude to communities...hasn’t really advanced beyond the mission-manager mentality of the 1960s: that Aboriginal people need a caretaker”, an observation supported by Dr Christine Bond: “Indigenous community controlled organisations are still deemed ‘too risky’ for funding providers.” This has resulted in Indigenous people being subjected to a level

properly carry out what is supposed to be done. [The NT government] is forever looking for the grant, looking for the federal government subsidy; (v) The impossibility of trying to get the public service out into the remote areas [leading to a situation whereby] other agencies often got “top-up” money to deliver programs they weren’t meant to, changing the process and effectiveness instantly; (vi) Way too many programs, and the high administration costs in delivering them making them almost certain to fail; and (vii) The NT government sometimes chews up to 40 per cent of the costs. Transaction costs on the ground are also unbelievably debilitating. As reported by Barrass (2009).

31 See Empowered Communities (2015:52, para. 16).
32 What constitutes the “Indigenous industry” depends on what side of the ideological chasm one sits. For those, like Gary Johns, for whom Indigenous self-determination is a policy aberration, the stakeholders and perpetrators of this version of the “Indigenous industry” are those who pursue an Indigenous rights agenda based on self-determination, land rights, and the maintenance of Indigenous cultural identity (see for example, Johns 2011a, 2011b, 2015; Dillon 2014). Furthermore, as Sammut (2014:17-18) argues, the policy of self-determination is a major factor contributing to the disadvantages experienced by Aboriginal and Torres Strait Islander peoples today:

... the political agenda of the Aboriginal rights movement that pursued the goal of ‘Aboriginal self-determination’ - the principle that Aboriginal advancement required the separate development of Aboriginal people on their own traditional lands, under their own political, legal and social organisations, and according to their own cultural and spiritual values. ... which dominated Indigenous politics and policy until the early-2000s. ... is now widely acknowledged in other areas of Indigenous policy to be a major contributor to the cause of Indigenous welfare and social outcome gaps.

33 In Smyllie and Scaife (2011:5).
37 Bond (2015).
of micromanagement that is unprecedented in Australian society. In referring to the abysmal state of housing in the Northern Territory community of Ampilatwatja, Mundine points out that it:

...isn’t from a lack of spending. It’s from poor planning and management by people who aren’t from the communities, don’t understand their needs, frequently don’t follow through and who don’t think locals are capable of doing it themselves.

The scope of this tragedy and its monumental waste of public money can be properly understood when Yolngu people, tired of waiting for the government to do something, decided to solve their own housing crisis by building their own homes from local resources for as little as $40,000 per house – less than one-tenth of what is considered the standard cost of $500,000 for building homes in remote areas. The first bunkhouse was constructed by Yolngu men with local timber they cut and milled themselves. Many of the men came from tragic family circumstances or had battled alcohol dependency. Unveiling the first bunkhouse during the Garma Festival in August 2009, Galarwuy Yunupingu commented that “Indigenous-led housing construction could hold the key to escaping chronic welfare-dependency and the stranglehold of bureaucracy that kept Aboriginal people in a state of dependence.”

This growth in the Indigenous industry results in further disempowerment of local communities and their organisations, and adds to welfare dependency, as Noel Pearson pointed out during a media interview to introduce the newly released Empowered Communities: Empowered Peoples report:

There’s certain kinds of government service delivery that compound welfare dependency. The welfare trap is as deep as ever. A lot of what goes on under the banner of services is actually now an industry. There’s been a massive growth in that industry. But a system that allocated $33bn each year in the name of indigenous people is a system that has huge scope for productivity.

As is noted in the Empowered Communities report:

... more devastating than areas of under-servicing has been the entrenchment of Indigenous dependence created by widespread government overreach through passive service delivery. The welfare state in Australia induces the most crippling sclerosis in Indigenous society because its programs so often displace responsibility from those who should be vested with relevant responsibilities – individuals, families and communities.

Instead, responsibility is placed with governments, their agencies, bureaucrats and a growing army of for-profit and not-for-profit non-government organisations (NGOs) operating as service providers. In some cases, such as under the Remote Jobs and Communities Program (RJCP), even responsibility for

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39 Mundine (2014a). One consultant, who effectively headed up the Strategic Indigenous Housing and Infrastructure Program (SIHIP) for the NT government, and who was subsequently dismissed, warned that “the $672m program might deliver as few as 300 houses, less than half of the 750 promised by the federal and NT governments.” He also warned that “up to 70 per cent of the SIHIP funds were to go towards indirect costs such as consultant’s fees and travel costs, and administration.” As reported by Robinson (2009a).
40 As cited by Empowered Communities (2015:66, para. 81).
42 Noel Pearson, principal architect of the Empowered Communities blueprint for change. As reported by Robinson and Morton (2015).
community leadership is outsourced to external NGOs. It is RJCP providers who are charged with conducting development planning, while Indigenous leaders and people are relegated to the role of being ‘consulted’.\(^{43}\)

The Indigenous industry is one of the principal targets of the *Empowered Communities: Empowered Peoples* blueprint for reform, because as Paul Kelly, Editor-at-Large for *The Australian*, in reviewing the report comments:

> As long as government determines the directions and goals of communities, the gap cannot be closed. While responsibility lies with governments, bureaucrats and non-government organisations, Indigenous people “are sucked down into a vortex of dysfunction and hopelessness”. \(^{44}\)

In many remote communities, contractors and service personnel operate on a fly-in-fly-out basis providing partial and disrupted services/support, adding substantially to travel costs. As Senator Nova Peris notes:

> Aboriginal people in communities know what needs to be done, but they are being disempowered by government workers and private contractors coming in over the top of them. A large part of the problem is the constant stream of fly-in fly-out workers, government workers, external non-Indigenous charity and religious agencies which come into communities and provide services when Aboriginal people could do a lot of what is needed themselves.\(^{45}\)

While acknowledging that in many cases there are not enough jobs in remote Australia, Warren Mundine also points out that:

> ...before you get to that problem you have the more pressing problem, which is the jobs that do exist are being done by people from outside the community, often at huge expense, flying in from far away.\(^{46}\)

In responding to the failure of the former Labor Government’s Remote Jobs and Communities Program (RJCP) and claims by job agencies that tendered for contracts to deliver the program about the lack of jobs in remote Indigenous communities, Professor Marcia Langton, patron of the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women’s Council – one of the community organisations taking part in the Empowered Communities project, questions:

> ...why are there so many jobs for white people ... in these communities? What they are saying is there are no jobs for Aboriginal people. ... [S]trong local indigenous leaders [are] needed to run the program, because only Aboriginal grassroots leaders could deal with problems on the ground. We saw successful programs which exceeded the benchmarks where local leaders are committed to reforms that are achieving successes. When they are tendered out to others, they don’t have an investment in the communities.... We need to empower local leaders to get this right because after several rounds of these employment and training schemes over a 40-year period it’s about time we realised that centralist policies from Canberra implemented on the remote world don’t work.\(^{47}\)

\(^{43}\) Empowered Communities (2015:8). See also Mundine (2014a).

\(^{44}\) Paul Kelly, Editor-at-large with *The Australian*, commenting on and quoting from p.8 of the Empowered Communities report (Kelly 2015).

\(^{45}\) Bagnall (2014) citing comments by Senator Peris.

\(^{46}\) As reported by Karvelas (2014b) quoting Mundine.

\(^{47}\) As reported and quoted by Karvelas (2014a).
This leads to another aspect of the Indigenous industry – its lack of transparency and accountability to the communities where services are being provided\(^{48}\) and the need to “reset” the relationship between the Indigenous community and government.\(^{49}\) As Dr Christine Bond points out:

The ‘new reforms’ in Indigenous social policy must include equal, if not greater scrutiny over the inability of mainstream services to deliver the outcomes they are funded to deliver in our communities. Their governance structure doesn’t enable local communities to hold them accountable, and every year we are surprised at the new NGO that has rolled into out suburb [Inala] or received funding to service our community, despite having demonstrated little engagement with our community.\(^{50}\)

This lack of accountability can lead to incredible waste of financial and human resources. For example, under the previous federal Labor government, the Community Development Employment Projects (CDEP) work-for-the-dole scheme in Aboriginal communities was redesigned as the RJCP. In commenting in October 2014, Langton again points out:

In 2013, after Tony Abbott was elected, the RJCP was put out to tender. The perversity and waste of this approach soon came to light. It operates in 60 remote areas. Last week Minister for Indigenous Affairs Nigel Scullion reported only 277 indigenous jobseekers had found employment that lasted more than six months. The cost per successful job placement of six months or more stands at $433,000.\(^{51}\)

In mid-March this year the Australian Competition & Consumer Commission (ACCC) announced that it was investigating several private training colleges for targeting Indigenous communities with aggressive marketing schemes in urban, rural and remote communities, over a range of issues including failure to adequately match courses to students’ abilities and interests.\(^{52}\)

**Mainstreaming of Indigenous Service Provision**

By 2004 ATSIC had mandated responsibility for coordination and administration of $1 billion of Indigenous-specific expenditure.\(^{53}\) Its demise “marked the end of formal gestures towards indigenous self-determination”\(^{54}\) and “tightly re-centralised responsibility for Indigenous Australia with State, Territory and Federal governments.”\(^{55}\) In effect, as Nicholas Rothwell, senior Indigenous Affairs writer with *The Australian*, argues: “It was the start of a cascading process of disempowerment that has continued unabated ever since.”\(^{56}\)

Without ATSIC regional council support, many of the Indigenous local community centres, housing co-ops, and culture and heritage organisations have been unable to continue – their activities and services instead either being absorbed by mainstream service providers, delivered through programs administered either from Canberra or through federal/state/territory offices often thousands of

\(^{48}\) See Empowered Communities (2015:58-9).

\(^{49}\) The Empowered Communities design report is, in effect, a detailed blueprint for resetting this relationship.

\(^{50}\) Bond (2015).

\(^{51}\) Langton (2014).

\(^{52}\) Bita (2015).

\(^{53}\) Altman (2013:23).

\(^{54}\) Rothwell (2013).

\(^{55}\) Daley (2014).

\(^{56}\) Rothwell (2014a).
kilometres away by bureaucrats who have no inkling of what it is like for Indigenous people and their communities on the ground, or have been discontinued altogether. The principles behind the streamlining of service delivery contained in the COAG 2004 National Framework of Principles for Delivering Services to Indigenous Australians regarding “delivering services and programmes that are appropriate, coordinated, flexible and avoid duplication”, and which include “fostering opportunities for indigenous delivered services”, seem to have quickly been ignored.

The mainstreaming of Indigenous service and program delivery has also resulted in a government sponsored proliferation of programs, delivery agencies (government and NGO) and red-tape. In 2010 the Australian Government’s Strategic Review of Indigenous Expenditure indicated that almost half of the commonwealth’s overall budget for Indigenous services was being handed directly to more than 9,000 organisations with a responsibility for delivering some 232 Indigenous-specific programs and mainstream programs with provisions specific to the Indigenous community. If, as noted above, the Indigenous community sector comprises about 5,000 organisations, then some 4,000 non-Indigenous agencies and organisations were also delivering services to the Indigenous community. One of the first reforms by the Abbott Government in 2014 was to consolidate some 150 of these programs into the five program areas under the Indigenous Advancement Strategy: jobs, land and economy; children and schooling; safety and wellbeing; culture and capability; and remote Australia strategies.

There has also been a proliferation of non-indigenous service providers. For example, in Roebourne in Western Australia, with a population of 1,150, there are around 67 local service providers and over 400 programmes funded by both Commonwealth and State governments. The small town of Toomelah, in New South Wales, with only 300 people has 70 service providers. Pearson gives the example of the Lockhart River community on eastern Cape York Peninsula, where there are 90 government programs being delivered in the community. The Lockhart Aboriginal Shire Council has the responsibility of both applying for and reporting on these different grant programs. As Ian Trust of the Wunan Foundation, based in Kununurra in the eastern Kimberley region, one of the eight member region’s taking part in the Empowered Communities project, wryly comments: “You can almost measure the level of dysfunction in the community by the level of services.”

There is currently a substantial degree of overlap and duplication between the Commonwealth and States in Indigenous affairs as well as excessively bureaucratic processes and administrative arrangements which the federal government is seeking to eliminate as part of its overall Indigenous Affairs reform agenda. As Andrew Forrest comments in his report Creating Parity regarding the failure of the service system:

58 See also Empowered Communities (2015:56-7, para. 33).
59 COAG Communique, 25 June 2004, Attachment B.
60 For examples of red tape challenges faced by Indigenous communities and their organisations, see Empowered Communities (2015:57-8).
64 As reported by Karvelas and Kelly (2013).
65 As quoted by Robinson and Morton (2015).
Preceding governments of all persuasions have been guilty of allocating funding on an ad hoc, imprecise basis without adhering to an all-of-government long-term strategy to completely end the disparity in Australia. This has led to what Noel Pearson calls ‘the welfare industry’ and has now proliferated into multibillion-dollar proportions. It represents a multibillion-dollar vested interest in continuing the disparity.... It has led to disparate, often competing, agencies, government bodies, and NGOs (also often funded by government) working regularly against each other. This is not surprising as each enterprise is forced to compete for funding in a dog-eat-dog environment.  

To this can be added a further observation made in the Forrest Review that:

It is difficult for [Indigenous] leaders and others in remote communities to understand how and why decisions (that can have a huge impact in a small community) have been made by distant governments in Canberra, Perth or Darwin. A fly-in fly-out service may not deliver sufficiently strong trusting relationships between provider and clients, resulting in low usage rates, poor service and unaddressed need. On top of welfare, this approach creates even more passivity in communities. As Professor Fiona Stanley points out, the answer is to encourage Indigenous people to actively participate in all decisions that involve them. 

Use of non-indigenous service providers can also raise serious issues about their cultural competency and capacity to deliver culturally safe and appropriate services, particularly in such culturally sensitive areas as suicide and self-harm prevention, mental health, family support and child-care services, and prisoner/offender support. As Professor Fiona Stanley has pointed out:

We have got a juggernaut of spending that is wasted because Aboriginal people are not appropriately engaged with the solutions. When Aboriginal people are engaged with the solutions, not only do they work but the self-esteem within the Aboriginal community rises because people are proud and that affects things like adolescent suicide and mental health. 

Comments from Professor Langton can also be added:

The solutions to suicide have long been identified by responsible leaders in Aboriginal communities across Australia. Indigenous-controlled initiatives were best-placed to stem the crisis. An unknown quantum – it must be in the hundreds of millions of dollars – from the indigenous-specific commonwealth and state budgets go to NGOs to deliver services. I’m finding it difficult to think of one that intervenes effectively, especially in [the] area of child suicide. And Aboriginal organisations that have responsibility to convert the coroners’ reports into the many child suicides, now scores of child suicides, into effective policies and program implementation plans are unable to do so because they are not funded adequately and sustainably. 

Lessons that are perpetually ignored in the ‘top-down’, supply-driven approach to the delivery of services to Indigenous communities and their organisations – pretty much the story of the decade post-ATSIC.

68 Forrest (2014: 52).
69 See, for example, Smyllie and Scaife (2011).
71 As reported by Robinson (2014). See also Laurie et al (2014) and Meconi (2014).
72 See, for example, Empowered Communities(2015:52), regarding the supply-driven approach to addressing “the huge array of Indigenous need”.
This has had a huge impact on the survival of many particularly rural and remote area community-based Indigenous organisations, such as those that had community development, service delivery (e.g. housing, child and aged care, training and employment), land management, culture and heritage as their core business. 73

The abolition of ATSIC also saw the voice and agency of a generation of local community leaders and managers stripped away, and whose expertise and managerial skills, developed through the ATSIC years, were not deployed post-ATSIC and were left to languish with a concomitant loss of governance capacity for administering community-level initiatives. Withdrawing support to Indigenous organisations undermined the sustainability of many of them. The demise of ATSIC, amid allegations of corruption, financial mismanagement and improper nepotism 74 notwithstanding, has, in effect, scuttled much local community development.

Despite its flaws, ATSIC provided

... a national indigenous voice and a conglomerate of strongly representative regional councils. Its members knew what services were needed, and delivered them. ATSIC built community houses in the interests of their own people, not outside contractors, and for a fraction of the costs incurred during the [NT] Intervention era’s disastrous SIHIP [Strategic Indigenous Housing and Infrastructure Program] program. The extensive bush infrastructure ATSIC left behind was well targeted, and much remains in use today. 75

Major charities, such as Mission Australia, Australian Red Cross, The Smith Family, Anglicare, Centacare, The Salvation Army, UnitingCare and Lifeline, and large training providers like Access Working Careers P/L, Best Employment Ltd, Career Employment Inc., and Pathfinders Ltd — all recipients of Indigenous Advancement Strategy grants 76, now provide many of the essential services and training once provided by local grass-roots Indigenous organisations. 77 In doing so they have taken over the jobs performed by Indigenous people within their own communities, although some have found work within these mainstream service and training organisations. As Table 1 indicates, there has been a massive decline in the number of medium-sized Indigenous corporations nationally, nearly 60% of all Indigenous corporations that were de-registered over the last four years. It is the medium-sized corporations that have been generally responsible for managing community employment and training programs under the now abandoned CDEP program, and delivering housing, caring for country, aged and child care, domestic violence, alcohol and substance abuse, and mental health services to their people. In its Top 500 Indigenous corporations 2014 report, ORIC also notes that, since 2007-08:

The greatest decreases [in growth] ... were experienced in the following sectors:
- personal and other services — 33.3 per cent decrease
- education (including child care) — 26.7 per cent decrease

73 In ORIC’s snapshot of Indigenous corporations involved in the visual arts sector, of the 101 corporations in their sample, 64 were solely involved in the arts sector, while 37 (i.e., about a third), in addition to arts sector involvement, were engaged in the provision of other services that could include: health, employment, education, housing and land management (ORIC 2012:28).
74 Daley (2014).
75 Rothwell (2014a).
76 The list of first round IAS grantees was made public by the DPM&C on 25 March 2015.
77 See also Empowered Communities (2015:55).
employment and training – 22.2 per cent decrease.\textsuperscript{78}

Table 1: De-registered Indigenous corporations according to size (ORIC 2012 General Reports)

<table>
<thead>
<tr>
<th>Total De-Registered</th>
<th>Large</th>
<th>Medium</th>
<th>Small</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>4</td>
<td>0</td>
<td>3 (75%)</td>
</tr>
<tr>
<td>NSW</td>
<td>100</td>
<td>0</td>
<td>63 (63%)</td>
</tr>
<tr>
<td>NT</td>
<td>150</td>
<td>1 (0.7%)</td>
<td>81 (54.0%)</td>
</tr>
<tr>
<td>Qld</td>
<td>157</td>
<td>3 (2.0%)</td>
<td>92 (58.5%)</td>
</tr>
<tr>
<td>SA</td>
<td>25</td>
<td>0</td>
<td>9 (9 %)</td>
</tr>
<tr>
<td>Tas</td>
<td>3</td>
<td>0</td>
<td>3 (100%)</td>
</tr>
<tr>
<td>Vic</td>
<td>27</td>
<td>1 (4.8%)</td>
<td>13 (47.6%)</td>
</tr>
<tr>
<td>WA</td>
<td>175</td>
<td>1 (0.6%)</td>
<td>115 (65.7%)</td>
</tr>
</tbody>
</table>

Nationally 641  6 (1 %)  379 (59 %)  256 (40 %)

As Priscilla Collins, CEO of the North Australian Aboriginal Justice Agency concluded:

It’s disappointing the number of Aboriginal organisations delivering social services to their communities has declined, with non-Indigenous groups stepping in.\textsuperscript{79}

Jobs-wise this translates into, if on average these medium-size corporations employ 12 Indigenous people, around about 5,000 jobs. However, as there is roughly an equal number of Indigenous business and organisations not registered with ORIC, this means the loss of Indigenous employment could be around 10,000 from medium-sized businesses and organisations alone. It would seem that the job loss from the Indigenous community sector is not being compensated by the growth in Indigenous employment in the mainstream sector as the Prime Minister’s Closing the Gap Report for 2015 reveals. The target is to halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade (by 2018). Since 2008, the proportion of Aboriginal and Torres Strait Islander peoples aged 15-64 who are employed fell from 53.8 per cent in 2008 to 47.5 per cent in 2012-13.\textsuperscript{80}

\textsuperscript{78} ORIC (2014:12).
\textsuperscript{79} Quoted by Vanovac (2013).
\textsuperscript{80} Abbott (2015:18).
This situation is being further fuelled by the allocation of grants under the federal government’s new Indigenous Advancement Strategy (IAS), notifications for which were released on 4 March 2015. From over 2,000 applications, $860 million in funding was awarded to 964 organisations, with only 41 per cent of organisations that applied for funding being successful. The implementation of the IAS and its grant process is, as Warren Mundine has described it, “deeply flawed”. This has not been helped by, as Professor Langton points out, the removal of many Indigenous Affairs program responsibilities from departments that have traditionally dealt with them to the Department of Prime Minister and Cabinet which does not normally having a service-delivery role. Many of the public servants, including senior bureaucrats in the other department who have considerable experience in Indigenous Affairs, and with whom community organisations have been comfortable in dealing, have moved on. These changes have:

...caused confusion for indigenous leaders across the country and resentment at having to form new relationships with senior public servants, often people who have never worked with indigenous people or policy before. And it has consumed resources and time meant to benefit indigenous people. ... Further, this failure of the federal government to stabilise the bureaucracy and budget in indigenous affairs exacerbates the parlous situation in the states and territories, where similar large-scale experimentation has occurred in administration of indigenous affairs and incomprehensible policy shifts.

The Prime Ministers Indigenous Advisory Council (PMIAC) has demanded the federal government provide greater transparency in its grant funding decisions as a furore continues to build over the implementation of the IAS. However, of those Indigenous organisations that were successful, many received only a fraction of funds they needed to continue to provide services, and many core services formerly on triennial funding cycles were only given a grant for one year, thereby adding uncertainty about their future. Kirstie Parker, co-chair of the National Congress of Australia’s First Peoples, claimed that there was no clear logic to the government’s decisions: “The policy and the strategy itself has been deeply flawed from the beginning.... Longstanding service organisations will be crippled”.

Peter Yu, chair of the North Australian Indigenous Land and Sea Management Alliance (NAILSMA), an unsuccessful IAS grant applicant, condemned the process as “shambolic, unashamedly assimilationist and ideologically driven.”

Widespread dismay was expressed within the Indigenous community as mainstream grantee organisations included football clubs, many large faith based charities, and mainstream education training and employment agencies. The
general fear is that many local indigenous organisations and service providers will either have to lay
off staff and cut back on services, or close completely.87

The end result of this mainstreaming of Indigenous service provision is that non-Indigenous service
providers now have a massive stake in the industry. And the reason for this is clear, as Natasha
Robinson of The Australian points out in her review of the Empowered Communities: Empowered
Peoples report:

[T]he indigenous gravy train delivers large percentages of its funding stream to service providers, not
Aboriginal people. In some cases administration costs are obscene. In 2010 Indigenous Business
Australia’s subsidised home loan scheme was revealed to have achieved only 15 loans with a total
value of $2.7 million, while racking up administration costs of $9.9m. Across all indigenous spending,
it has been estimated that as much as 70c in the dollar is absorbed in administration.88

Deterioration in the Social and Mental Wellbeing of Indigenous people

As a consequence of mainstreaming there has been a rapid deterioration in the social and mental
wellbeing of Indigenous people as indicated in the recent Productivity Commission’s Overcoming
Indigenous Disadvantage (OID) report.89 This can also be interpreted as one of the consequences of
disempowerment seen in the build-up of patterns of resistance to the top-down solutions imposed
on Indigenous communities. While governments federal and state/territory seek to exert greater
control over and intrusion into the lives of Indigenous people, remote Aboriginal Australia is
becoming more indifferent and disengaged, pursuing, as Rothwell argues, “a mingled strategy of
noncompliance and resistance to outside authority”. While constraint (including incarceration, as
many Indigenous people now argue) remains the chief weapon of the state whereby Indigenous
people are being expected to economically integrate, assimilate and adapt – requiring them “to
become like us” - they are objecting and failing to comply.90 Consequently, as Professor Rolf
Gerritson (Charles Darwin University’s Northern Institute) believes, remote settlement Aboriginal
men and women “have adopted a strategy of covert resistance to the intervention and its associated
programs.”91 The real danger is that as the federal government ushers in the “seismic change”

87 See, for example, Koori Mail (2015a; 2015b).
89 SCRGSP (2014a).
90 Rothwell (2015a).
91 Rothwell (2015a) quoting Gerritson. These patterns of resistance can take a number of forms including:

- Individual expressions of disobedience. These take various forms: young Aboriginal men between the
  ages of 15 and 35 are the “zealot” resisters who engage in alcohol and substance abuse; drive
  unregistered vehicles unlicensed, are fined repeatedly and then go to jail as a deliberate gesture
  “confirming the significance of their rebellion” and “rejection of the conqueror and all he stands for.”
  Other expressions of “disobedience” include: illegal card gambling; littering in communities and
towns; loitering and squatting.

- Vandalism – destruction of property including houses and infrastructure facilities.

- Withdrawal from the victor’s realm (eg, well-trained community men and women refusing to work).
  Trained teachers don’t teach, builders don’t build, while more than 30,000 young Aboriginal men
  from remote areas have forgone their benefits and refused to submit themselves to the job search
discipline of Centrelink (see also Karvelas 2014e re: Mundine’s comments Youth “missing’ from
system).

- Resistance shades into pure reserve, and into indifference - withdrawal as much as defiance.
advocated in the Forrest Review\textsuperscript{92}, there will be an equal and opposite reaction by Aboriginal and Torres Strait Islander people and their communities. Should this happen, the risk is that, as Professor Langton warns, the latest overhaul of the federal government’s bureaucratic, policy and funding arrangements will indeed “hit the rocks”, the Close the Gap targets will move further out of reach, and the Indigenous Affairs merry-go-round will spiral out of control with ever greater consequences. \textsuperscript{93} As Rothwell concludes:

This analysis of conflict between two cultures leads to a dark concluding point: self-neglect, poor health and social harm are also expressions of what Gerritson sees as the veto Aborigines hold in their hands over Australian society and its representatives: “Governments think they have power over Aboriginal welfare recipients, but Aboriginal people, in their failure, in their covert resistance, can place pressure on government.”\textsuperscript{94}

Indigenous community-controlled organisations are particularly needed to deliver culturally appropriate services in areas dealing with: incarceration rates; mental health disorders; suicide and self-harm prevention; and child removals – areas which have shown a particularly marked deterioration post-ATSIC as the following statistics reveal:

**Imprisonment**
- In 2004 there were 5048 Indigenous people in prison, a figure that leapt to 9264 in 2014 – an increase of 83.52 per cent over 10 years, and now accounting for 27 per cent of the Australian prisoner population.\textsuperscript{95}
- The daily average rate of imprisonment for Indigenous 10-17 year olds in 2012-13 was 24 times the rate for non-Indigenous youth, and 13 times the rate for non-Indigenous adults.\textsuperscript{96}

**Mental health**
- In 2012-13, almost one-third of Indigenous adults (30 per cent) reported high/very high levels of psychological distress, an increase from 27 per cent in 2004-05.

**Suicide and self-harm**
- The suicide death rate for Indigenous Australians in 2008-12 was almost twice the rate for non-Indigenous Australians
- The hospitalisation rate for intentional self-harm for Indigenous Australians increased by almost 50 per cent from 2004-05 to 2012-13 – almost three times the proportion for non-Indigenous adults in 2011-12, while the rate for other Australians remained relatively stable.

**Child removals based on substantiated child abuse and neglect**
- Child protection substantiations for Indigenous children increased from 30 per 1000 children in 2009-10 to 38 per 1000 children in 2012-13.

\textsuperscript{92} Forrest (2014:6)
\textsuperscript{93} Langton (2015).
\textsuperscript{94} Rothwell (2014a).
\textsuperscript{95} See also Karvelas and Taylor (2014).
\textsuperscript{96} In the NT, Indigenous young people in detention more than doubled from a daily average of 18 in 2005-06 to 38 in 2011-12. In 2009-10 it cost $216,000 to keep a young person in detention for one year. Land Rights News (Northern Edition) (2015:7).
- The rate of Indigenous children on care and protection orders increased from 11 per 1000 children in 2003-04 to 49 per 1000 children in 2012-13.

What is noteworthy is that these dramatic increases all appear to correlate with the disappearance of ATSIC and the increased drive by government for mainstreaming services to Aboriginal and Torres Strait Islander people. All these areas of increasing disparity are precisely the areas in which either Indigenous community-controlled organisations once predominantly provided services, or there is a dire need for the kind of culturally appropriate services desperately required by Indigenous people but which mainstream agencies are unable to deliver. While not specific to these areas of service need, the OID report also indicated that, in relation to engagement with services:

In 2008, 30 per cent of Aboriginal and Torres Strait Islander Australians aged 15 years and over reported problems accessing services in the previous 12 months, with the proportion highest in very remote areas (48 per cent).

Clearly mainstream service providers are failing to deliver the level and kind of services required to address these problems.

The plight of remote Indigenous Australia

For statistical purpose Australia is divided into six geographical regions – see accompanying map. Remote Australia encompasses about 85% of the continent, and comprises two “remoteness areas”, namely:
- Remote Australia, and
- Very remote Australia

Twenty-two per cent of the Indigenous population live in this 85% of the continent: 8% in the remote areas and 14% in the very remote areas, whereas less than 2% of non-Indigenous Australians live in these two areas. For most social and wellbeing indicators that can be measured by degrees of remoteness, outcomes for Aboriginal and Torres Strait Islander people worsen as remoteness increases – or as some Aboriginal people say: “the wester you go the worster it gets”!

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97 SCRGSP (2014a:28). Positive engagement with services is critical to improve outcomes for Aboriginal and Torres Strait Islander Australians. Engagement covers both access to services and the culturally appropriate delivery of services (p. 28).
98 Cooperative Research Centre Desert Knowledge (2009: cover page).
99 SCRGSP (2014a:xxvi). For comparative statistical purposes, remoteness areas are defined in the Australian Statistical Geographical Standard (ASGS) developed by the ABS and comprises six categories. The other four categories are: Major cities of Australia; Inner regional Australia; Outer regional Australia; and Migratory regions (comprising off-shore, shipping and migratory places.
101 A quality of life index published by Bankwest in 2008 placed Halls Creek, a roadhouse town of about 1500 people, most of whom are Aboriginal, and located 359km south of Kununurra, dead last (as reported by Aikman 2015). The Indigenous suicide rate in the Kimberley is the highest in the world, when referenced against World Health Organisation figures, at 70 deaths per 100,000 (as reported by Robinson 2014). The Liliwan Project found that one in eight of Indigenous school-age children – 120 out of 1000 – in the Kimberley’s
Most of the small Indigenous communities, often numbering less than 100 residents, are dotted around remote and very remote Australia and are found chiefly in WA, NT, northern SA, northern and western Queensland (including the Torres Strait), and western NSW. In WA there are over 270 such communities and about 60 in SA. In the NT there are over 600 discrete Indigenous communities, 90% of which are located in very remote areas and with half of these with a population less than 500. Around 80% of Indigenous Territorians reside in remote or very remote locations.  

In 2009, the Alice Springs-based Cooperative Research Centre Desert Knowledge released a prospectus, *RemoteFOCUS: Revitalising Remote Australia*. Its authors, using internationally...
applicable criteria developed by the Brookings Institution in the US and using data supplied by the World Bank, characterised remote Australia as a “failed state”.

These criteria employ World Bank data that measure poverty, security issues that relate to violence and homicide, the capacity of governments to provide basic needs for human development (particularly health and education), and the legitimacy of governments in the lives of people. Its central thesis is that: as the global power base shifts to China, India and Southeast Asia, Australians are retreating to the southeast and southwest corners of the country further depleting vast tracts of already sparsely populated land rendering it vulnerable to a “perfect storm” of social, economic, security and ecological crises. The paper warns that the nation’s vast income-generating resource zones (which are increasingly being exploited by a non-Indigenous transient “fly-in fly-out” workforce) and tropical regions of abundant rainfall in a climatically challenged world, could end up being “contested”, as crumbling infrastructure and services and declining population turn remote Australia into a largely unsettled wilderness. The vast wealth being extracted from the region is not being re-invested back in local communities already crippled by a lack of resources and poor governance, and the authors of the paper blame the situation on the failure of all levels of government to deliver basic services, infrastructure and local economic opportunities, and halt the flight of non-Indigenous people to more settled areas. With regard to the plight of Indigenous Australians in remote areas, remoteFOCUS argues that government policies, structures and administrative arrangements are critically significant drivers of many of the problems that are all too apparent in remote Indigenous Australia. The issues in remote Indigenous settlements are, nevertheless, compelling and real. They include:

Indigenous Affairs to the Government of Western Australia); Bill Gray AM ((former ATSIC CEO, and former Australian Electoral Commissioner); Bill Hart (General Manager of Communities and External Relations, Rio Tinto Iron Ore); John Huigen (CEO, Desert knowledge Australia); Adam Levin (Partner, Jackson McDonald Lawyers); Tim Marney (Under Treasurer, Government of Western Australia); Anthony Mitchell (Facilitator, Director – Bendelta Pty Ltd); Howard Pedersen (WA Department of Local Government and Regional Development); John Phillimore (Executive Director, The John Curtin Institute of Public Policy, CUT); Lieutenant General John Sanderson AC (Special Advisor on Indigenous Affairs to the WA Government); Dr Peter Shergold AC (Chief Executive, Centre for Social Impact, Australian School of Business, UNSW); Di Smith (Visiting Fellow, Centre for Aboriginal Economic Policy Research, ANU); Dr Mark Stafford-Smith (CSIRO Sustainable Ecosystems and Desert Knowledge CRC); The Hon Tom Stephens MLA (WA Parliament); Dr Bruce Walker (CEO, Centre for Appropriate Technology); Neil Westbury (Consultant and author); and Ben Wyatt MLA (WA Parliament).

In the context of the situation that has unfolded amongst Indigenous communities in remote Australia, it is necessary to also examine Noel Pearson’s line of argument, as this has become the foundation of federal Indigenous affairs policy, both Liberal and Labor, and Liberal again, for the better part of the last 10 years. Pearson essentially lays the blame for Indigenous dysfunction on the welfare system that, from the early ’70s, encouraged Indigenous people to lose their sense of personal and social responsibility, and slide into a life of indolence, substance abuse, and gambling which in turn gave rise to very high levels of domestic violence, child abuse, low education achievement among children, disastrous health and unemployment – see for example Pearson (2008). While the welfare system was squarely blamed, the policy response, in the form of the intervention in the Northern Territory in June 2007, was largely to punish the victim. remoteFOCUS offers a very different picture. Its authors argue that the steady erosion of infrastructure (particularly housing) and service provision, and the lack of effective governance over the last two decades, prompting a mainstream population drift to the urban and more settled regions to the southeast and southwest, have created virtually unliveable ghettos in remote Australia increasingly populated by Aboriginal people with very high degrees of frustration, hopelessness and marginalisation that in turn have led to the current levels of individual and community dysfunction. The authors of remoteFOCUS also argues that if appropriate levels of governance,
(i) The social implosion and large scale movement of Indigenous people off country to towns and service centres;
(ii) The consequences of demographic change in which the Indigenous population is growing at more than twice the rate of others;
(iii) The disengagement of the rapidly enlarging permanent Aboriginal population from both the mainstream economy and the traditional subsistence economy therefore increasing the incidence of welfare dependency; and
(iv) The vulnerability of Indigenous governance structures required to cope with the resources boom and the phenomenal streams of new revenue from agreements with resource companies.

The paper notes that:

...there seems to be little application of a ‘bottom-up approach’ – involving [inter alia] systematic consultation with communities of interest and the need to take into account the specific geographic, cultural, social and economic life opportunities and needs that apply where people actually live.\(^{105}\)

It argues that it is essential that governments at all levels must recognise the need to protect, respect and nurture Indigenous cultural tenets, beliefs and societal structures, and any governance systems must take into account the need for cultural sustainability, as well as (and assisting) community, economic, and ecological sustainability.\(^{106}\) This landmark paper calls for bold reforms that also include Indigenous Australians in the governance of Australia’s remote regions.

While written six years ago, the paper’s recommendations remain relevant today, particularly in light of proposed initiatives for the development of northern Australia contained in the report of the Parliamentary Joint Select Committee *Pivot North: Inquiry into the Development of Northern Australia*.\(^{107}\) Indigenous leaders across northern Australia, like Joe Morrison and Wayne Bergman, argue that any plan to boost the region must involve local Indigenous people to succeed.\(^{108}\) Noting that by 2040, indigenous Australians will make up half the population of Northern Australia, the report explores new methods to harness the Aboriginal and Torres Strait Islander workforce using successful models of Indigenous enterprise.

Early in November 2014, the West Australian Premier flagged the closing down of about half of the 274 remote communities in the state over the next two years.\(^{109}\) This was followed by the South Australian Minister for Indigenous Affairs also indicating that remote communities in South Australia may have to close as a result of the Commonwealth’s decision to cease funding for essential municipal services and infrastructure in 60 remote locations. The anticipated closures could affect about 16,000 Aboriginal people in WA and 4,000 in SA.

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\(^{105}\) Cooperative Research Centre Desert Knowledge (2009:13).
\(^{107}\) Joint Select Committee on Northern Australia (2014).
\(^{108}\) Davidson (2014).
\(^{109}\) As reported by Kohlbacher (2014). See also Karvelas and Kohlbacher (2014).
If governments and the private sector had been prepared to invest in remote communities and their people from the outset, this situation would never have arisen.

This critical issue has been given national focus courtesy of the Prime Minister’s comments made on ABC Radio in Kalgoorlie on 11 March expressing support for the WA government’s proposed closing of about 150 remote Aboriginal communities, and in which the PM said that governments could not:

...endlessly subsidise lifestyle choices if those lifestyle choices are not conducive to the kind of full participation in Australian society that everyone should have. It is not the job of the taxpayer to subsidise lifestyle choices, ... It is the job of the taxpayer to provide reasonable services in a reasonable way.\(^{110}\)

He thus inadvertently gave the issue the focus for national debate that it really needs to have.

**Taking back responsibility**

In Senator Nova Peris’ view, an important strategy in addressing Indigenous disparity is by:

... putting control of key services including health, education, employment and housing back to the communities and the organisations which represent them. ...the only way to achieve meaningful outcomes [is] to give the communities control of their own destiny and back that with support from government.\(^{111}\)

In their joint interview, former NSW Deputy Leader of the Labor Party, Linda Burney concurred:

...government had to change its approach and that meant building capacity within communities to take control of these key areas. The key to improvements in Aboriginal communities is for governments to build the capacity of communities to allow them to create their own solutions.\(^{112}\)

Moves are underway in the Northern Territory to reverse this trend towards mainstreaming of Indigenous services. As a spokesperson for the Aboriginal Medical Services Alliance NT (AMSANT) has pointed out: “The only way to improve the lot of Aboriginal communities was to help them provide their own social services.”\(^{113}\)

Senator Peris has also called for an end to the era of mainstream service provision to Indigenous communities:

...because invariably the service providers were white bureaucrats who had no appreciation of what the communities required. ... there should be “service partnerships” rather than service providers and the communities should have the final say in who should be engaged within a partnership.\(^{114}\)

To this end, in the Northern Territory 18 non-Indigenous NGOs have agreed to partner with an alliance of Aboriginal service providers to help them to take control of their own futures. The Alliance wants to see a systematic approach to the way non-Indigenous NGOs work with and at

\(^{110}\) As reported by Martin (2015c).
\(^{111}\) Bagnall (2014) citing Senator Peris.
\(^{112}\) Ibid., citing Linda Burney.
\(^{113}\) Vanovac (2013) quoting David Cooper, AMSANT.
\(^{114}\) Bagnall (2014) citing Senator Peris.
times defer to Aboriginal organisations in helping communities and has established a set of 5 principles with the 18 non-Indigenous NGOs.

These principles call on NGO service providers to:

- help build the capacity of Aboriginal NGOs to help themselves;
- research existing Aboriginal service providers before applying for contracts or community development projects;
- partner with Aboriginal organisations;
- ensure Aboriginal control, not just consultation, in the service delivery; and
- develop a mutually agreed exit strategy so Aboriginal service providers can take over.\(^{115}\)

As John Paterson, CEO of AMSANT, argues:

Allowing Aboriginal communities to control their own services is the key to ‘closing the gap’ in Indigenous disadvantage.\(^ {116}\)

Galarrwuy Yunupingu has also called for:

...a systemic remake of government service delivery to our regions. We need to burn the red tape and re-empower our people at every level throughout Australia. ... reliance on outside service providers, no matter how well-meaning, does not work.\(^ {117}\)

However, it is the Empowered Communities project that offers the most comprehensive path forward for Indigenous Australia. This imperative to take back control is the driving force of the Empowered Communities: Empowered Peoples blueprint which lays out a policy reform agenda that redefines the role of government in Indigenous policy. The plan, endorsed by the eight Aboriginal communities\(^ {118}\) participating in the Empowered Communities project, aims to create a “new centre of gravity” in Indigenous affairs, by winding back decades of top-down government intervention and passive service delivery through a fundamental shift towards Indigenous empowerment, development and productivity.\(^ {119}\) The plan, nearly two years in the making, is yet to be considered by government, and sits alongside its other major policies: the Indigenous Advancement Strategy, and the implementation of the recommendations of the Forrest Review.\(^ {120}\) As Paul Kelly reports:

The central recommendation is that indigenous empowerment policy be adopted by all participating governments through a binding formal agreement after a parliamentary review to refine the model. All policies and spending programs would be governed by three tests: empowerment, development and productivity. This transforms the current [government] mindset. Such a radical change to the


\(^{116}\) Quoted in Koori Mail (2014).

\(^{117}\) Yunupingu (2014).

\(^{118}\) The eight trial regions cover: Cape York, the NSW central coast, inner Sydney, Goulburn-Murray, East Kimberley, West Kimberley, APY/NPY Lands and Northeast Arnhem Land.

\(^{119}\) As reported by Robinson and Morton (2015:1).

\(^{120}\) As Martin (2015a) reports:

The Abbott government will push ahead with the controversial healthy welfare card to address indigenous disadvantage, along with all but one [Recommendation 12 regarding a proposed tax-free threshold for Indigenous businesses] of the 27 recommendations of Andrew Forrest’s sweeping blueprint for welfare reform.
status quo will provoke critics, vested interests and elements of what is often branded “the Aboriginal industry”. ... The report argues empowerment is tied to the subsidiarity principle – decision-making should rest as close as possible to each indigenous community. Again, this is contentious since it strikes at the notion of central government “top-down” authority. ... There is one certainty – Pearson and the eight communities [that have “opted in”] have given both Coalition and Labor a huge, radical and contentious agenda to evaluate.121

Or, as fellow writer for The Australian, Natasha Robinson concludes:

It will take a politician of grit, courage and drive – a driven prime minister – to accept what is laid out before him and to begin dismantling a policy scene marked by abject failure.122

In the meantime, Indigenous Australia is faced with the prospect of a bi-polar Indigenous Affairs policy: one policy for those communities that adopt the Empowered Communities blueprint; while those that do not “opt in” will remain subject to a policy based on the implementation of the recommendations of the Forrest Review. One offering a “beacon for the rest of Indigenous Australia”123, the other “seismic change”124 – empowerment and self-determination125 or “mission management” on a national scale.

Addressing the jobs “crisis” in remote communities

In addition to the 5 principles of engagement in transforming relationships between non-Indigenous and Indigenous community service providers outlined above there is also the issue of capacity building. Many commentators, like Mundine and Langton have expressed the view that there is no shortage of jobs in Indigenous communities – the problem is that they’re taken up by mostly non-Indigenous outsiders. Roads, airstrips and other community infrastructure need to be maintained, municipal services need to be carried out, country needs to be looked after, there are jobs in housing, childcare, education, health to be filled. Potential businesses include government contracts (infrastructure construction and maintenance, service provision, land management), tourism and cultural industries, bushfood and feral animal industries, and so on.126 If remote Australia had not been subjected to the neglect exposed by the remoteFocus report, and the Indigenous industry had not become so rampant, arguably Indigenous communities would be in a much healthier state and many would not now be staring down the threat of closure. As a report by Social Ventures Australia (SVA) demonstrates, the Martu people in WA provide an example of what can be achieved in remote Australia, offering powerful reasons why remote communities should not be closed down.127 And it is indeed in the national interest, as the remoteFOCUS prospectus demonstrates, that these intended closures should not happen.

121 Kelly (2015).
125 Empowered Communities (2015:19–21).
126 Federal Indigenous Affairs Minister Scullion suggests emerging business opportunities for remote Indigenous communities include “Chinese tourism, internet-enabled businesses and education, and native plant products” (as reported by Aikman 2014).
As former Fraser Government Minister of Aboriginal Affairs Fred Chaney, in referring to the SVA report, points out, the Martu:

... are building a distinctively Martu future, fashioned by their culture and aspirations, while simultaneously engaging with the modern economy. One recent study highlighted how a clear strategy to align Aboriginal interests with those of the mainstream can succeed. ... It found that for an investment of $18 million over five years, the programs delivered $55m of social value, a 3-to-1 return on investment. Kanyirinpa Jukurrpa works in the desert communities of Jigalong, Parnngurr and Kunawarritji. Known among the locals as KJ, it runs a suite of cultural, educational and environmental programs in these communities. ... KJ’s activities with Martu are built on the commonwealth’s ranger program, under which it employs 35 permanent staff and another 200 casually each year. The ranger program has been successful throughout much of remote Australia, engaging communities in activities that deliver environmental value to the Australian population, while allowing Aboriginal people to fulfil cultural obligations and teach their young about their country. By looking after a large, fragile landscape of high ecological value, Martu are working for the mainstream Australian population. The study accurately identifies this as a key to KJ’s success: Martu are doing what they value, while the mainstream values it enough to pay.128

The study shows how intractable and often too-visible social problems such as high levels of drinking, crime and incarceration, have been effectively addressed. Over five years the WA government has been saved nearly $8m:

- $3.7m through a reduction in incarceration of 41 person years; and
- $4.2m in costs of alcohol-related crime.

Thus, through the development of a clear strategy, broader social programs have been built on the back of the ranger work, empowering a generation of young Martu to help their communities. The leadership program, for example, teaches 30 young Martu adults corporations law, native title, governance and finance; they visit corporations and NFP organisations, learning and becoming confident and comfortable with mainstream people and concepts; and they combine this Western learning with cultural advancement.129

Conclusion

The Indigenous community sector is vital to the social and emotional wellbeing of Aboriginal and Torres Strait Islander people and their communities, and is vital for the environmental, economic and strategic health of remote Australia. It can and should be a major employer of our own people, and can be a significant driver of national strategies to close the gap, not only in Indigenous employment, but also for all the other OID indicators. Whether we can change the thinking of government is another issue, for example in ways proposed by the Empowered Communities blueprint, but the goodwill and vigorous support from the corporate and philanthropic sectors in partnership with our community organisations will play an important part in the realisation of our

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129 Summarised and adapted from Chaney (2015)
own social, cultural and economic potential and wellbeing in making the contribution to Australian society that we all wish for.

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