

**Submission To The House Of Representatives
Standing Committee On Aboriginal and Torres
Strait Islander Affairs**

**Inquiry Into Capacity Building in Indigenous
Communities**

The Fred Hollows Foundation

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1. Introduction

The Fred Hollows Foundation welcomes the Inquiry into Capacity Building in Indigenous Communities, and strongly supports initiatives to adopt a capacity-building approach to Indigenous community development in Australia. It must be recognised, however, that capacity building and service delivery must take place in a broader context of policy and funding arrangements which are likely to constitute significant barriers to these approaches. Section 3 of our submission addresses some of these issues, while Section 4 proposes practical approaches to capacity building and outlines what we believe to be the essential key elements.

2. Background

The Fred Hollows Foundation (FHF) was established in 1992. It's role is to continue and to build upon the work begun by distinguished ophthalmologist, Professor Fred Hollows, in reducing the incidence of cataract blindness in developing countries, and providing equity of access to health care in Australia and overseas.

The Foundation is best known for its international work in the treatment and prevention of avoidable blindness – in having helped to restore sight to nearly 1,000,000 people, trained some 750 eye surgeons, and built 'state of the art' lens factories in countries such as Eritrea and Nepal with a third currently being built in South Africa. Our goal has been to help set up the infrastructure and provide the training needed to give disadvantaged communities independence and sustainability in treating blindness, especially cataracts. Much of the underlying purpose of this work has been to make eye surgery in developing countries appropriate and affordable, and to empower our in-country partners to take charge of the continuing development of these services and industries.

Increasingly, the Foundation has come to recognise that sustainable change in these fields requires a development approach. Our simple, working definition of 'development' is that it is a process which transforms an individual, community or country from a position of dependence to a position of self-reliance which is sustainable. A development approach means building capacity, encouraging self-reliance and working towards sustainability. It requires a determination to effectively transfer skills, technology and knowledge, and it requires the partners in that development to want what we can offer and to take mutual responsibility for managing the transfer. Real development occurs from within.

We do not adopt the approach which has tended to characterise past policy efforts in Indigenous affairs in Australia aimed at ‘developing’ Aboriginal communities. Many programs targeted at Indigenous communities have generally been intended to assist ‘under-developed’ communities to become ‘developed’. Regrettably few people question the validity of such programs, and why they failed to achieve the desired outcomes.

A number of assumptions have underpinned such initiatives, for example:

- The belief that development can be engineered. Programs and projects are designed to ‘bring’ development to those amongst whom it is lacking;
- Development is about delivery of resources – financial, equipment, technical skills, political clout, even a particular approach to life;
- Development projects are generally short-term, time-bound and limited in terms of resources; output is both limited and predictable;
- The belief that a successful intervention or project can be replicated – indeed, this is one criterion in judging its success. If it is not replicable elsewhere, it must be of no value;
- A project is only successful if it is sustainable. If the effects of the intervention are not sustained, the project will be deemed to have failed; and
- The belief that economic development will ‘solve’ a host of other problems.

The piecemeal ‘development project’ approach often fails to achieve the benefits expected because of ignorance of social contexts and relationships, poor cross-cultural communication, and lack of knowledge of the history, aspirations and capacity of the Indigenous community concerned. Certain projects may in effect be ‘self-sabotaging’ if this groundwork is not done and almost certainly will not result in beneficial change unless the community is empowered by participating.

FHF’s work with Indigenous Australia

The Foundation brings its international experience in effective development work and capacity-building to its work with Indigenous Australians. Whilst blindness prevention remains a core principle, FHF has taken a much broader approach to its work with Indigenous people in Australia.

In 1996 the Foundation proposed to the then Minister for Health an Australia-wide review of eye health in Indigenous communities. This report was released in Canberra in 1997.

It was evident that the widespread eye health problems experienced by Indigenous peoples in Australia are critically linked to the overall poor health status of Indigenous Australians, which in turn is linked to poverty, poor community health infrastructure (such as housing, sewerage etc) and the lack of power over their lives and futures experienced by Indigenous Australians, especially in remote communities.

This powerlessness is clearly a critical factor in the *declining* standards in health and education in remote Indigenous communities in the Northern Territory, as documented in works such as Richard Trudgen's recent book *Why Warriors Lie Down and Die – Djumbatj Mala*, which explores the Yolgnu perspective of their history and attempts to explain why Aboriginal people in Arnhem Land face the greatest crisis in health and education since European contact.¹

In approaching our own work with Indigenous communities, FHF recognised that a wide range of factors that contribute to the current poor health status of Indigenous people need to be addressed. These include very basic issues, such as access to nutritious and affordable food and information about health and nutrition. Further, solutions to these issues need to be identified and implemented by communities themselves for the outcomes to be sustained and result in meaningful change and benefits. The Foundation does not 'give the answers' or provide advice – it supports communities to assist themselves and to implement their own solutions by providing support and assistance (such as access to resources, information and funding) and by supporting the empowerment of as many people as possible in the community. This can only be achieved through genuine partnerships with community organisations and individuals which address the power structures inherent in such relationships.

An independent report by Dr Daniel Etya'alé of the World Health Organisation, who reviewed the FHF Indigenous Health Program in April 2002, is attached to this submission (see Appendix 2).

Based on our experience with pilot programs we have developed since 1998 in partnership with a cluster of communities in the Katherine region in the Northern Territory², we believe that NGOs have a significant role to play due

¹ Trudgen, R, *Why Warriors lie down and die – Djumbatj Mala*, Aboriginal Resource and Development Services Inc, Darwin, 2000.

² These programs are briefly described in Appendix 1 and in attached materials

to their flexibility and capacity to establish long-term relationships. Further, the principles we have adopted are applicable to other NGO's, and to some extent to Government agencies. Ultimately however, a significant change in the approach of Governments and Government agencies is needed for there to be a real change in the effectiveness of service delivery and ultimately to the outcomes for Indigenous peoples in Australia.

3. The Inquiry into capacity building in Indigenous communities

The Fred Hollows Foundation strongly endorses the Standing Committee's decision to conduct an inquiry into capacity building in Indigenous communities, as we believe that supporting communities and individuals to develop the skills and capacity to manage their affairs effectively is critical to the development approach which must be taken.

However the FHF is concerned that the Terms of Reference of the inquiry may focus attention only, or largely, on the strength of communities and their leaders, and the governance of community organisations, without giving adequate recognition to the structural issues which are also highly relevant to effective service delivery.

Unless these issues are recognised and steps taken to change them, 'capacity building' is unlikely to have much more than a marginal and short-term benefit for some communities.

These structural issues include:

1. The current socio-economic and health status of remote communities and their members
2. Lack of basic infrastructure in which 'capacity-building' can occur
3. The lack of availability of services and lack of funding equity
4. The complexity of Government funding arrangements and lack of coordination of services at various levels of Government
5. Lack of sustainability in Government programs – the impact of electoral and funding cycles
6. The lack of accountability of Government departments to achieve measurable outcomes in the delivery of services.
7. The lack of Indigenous control of decision-making

1. The current socio-economic and health status of remote communities and their members

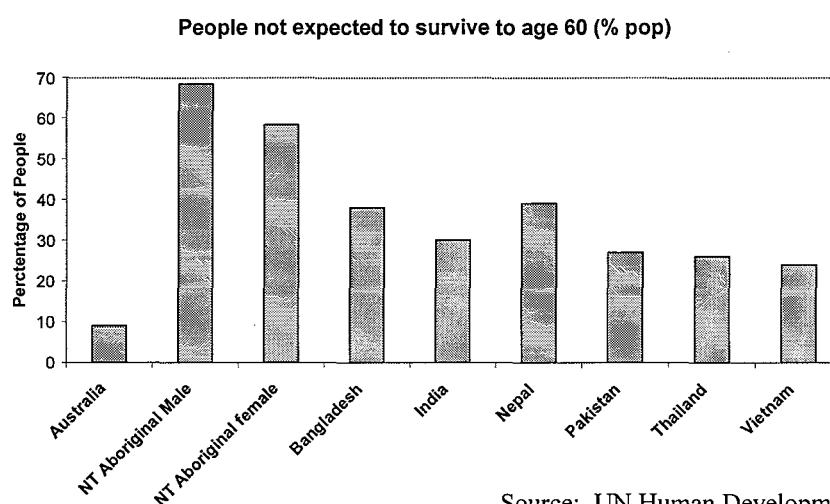
Most remote Indigenous communities are facing what Dr Daniel Etya'alé's described as a 'development emergency': these are communities that are fighting for their very survival.

Dr Etya'alé observed:

"the plight of the Aboriginal people is multidimensional, in that various factors feed into each other, and therefore, the best response is one that should be multidimensional as well, with priority to be given not just to the end results (alcoholism, obesity, diabetes, renal failure, homicide, smoking, substance, abuse, etc) but to the root causes, which very much evolve around poor/inadequate education and literacy among both children and adults, unpreparedness to modern living and very limited prospects for a life worth living or fighting for"

In a country which enjoys one of the highest standards of living and, with the exception of its Indigenous population, one of the highest life expectancies in the world, the harsh reality for all Indigenous communities is one of very poor health, short life expectancy, low education standards, poverty and very poor living conditions.

Comparison of life expectancy in Australia compared with developing countries



Source: UN Human Development Report 1999; *Mortality of Aboriginal and Torres Strait Islander Australians*, ABS 2000

Over the past 30 years, life expectancy has improved dramatically in most countries, but life expectancy for Indigenous Australians lags well behind a number of developing countries (see chart above). Aboriginal and Torres Strait Islander people have a lower life expectancy than any other Indigenous minority in a first world country³ and Australia has fallen well behind comparable nations which have significantly closed the life expectancy gap between Indigenous and non-Indigenous people. In Australia this gap is 15-20 years, in New Zealand, it is 5-6 years, in Canada it is 7 years, and in the USA, it is only 3.5 years.

In Australia, Indigenous death rates from diabetes are 12 times higher for men and 17 times higher for women, compared with non-Indigenous people. Unemployment for Indigenous people is about 26%, compared with 8% for the non-Indigenous community; less than one-third of Aboriginal students complete secondary school, compared with a national retention rate of 70%; and the Indigenous home ownership rate is about 30% compared with 70% for the non-Indigenous community.

These statistics are included to illustrate the enormous difficulties that must be managed in endeavouring to build the capacity of communities, organisations and individuals in Indigenous communities.

In most communities educational standards of all age groups are generally very poor and are declining.⁴ A proportion of the older generations, educated under earlier education regimes, gained a level of literacy and in some cases tertiary or trades skills. Now elders complain that their children and grandchildren have lesser literacy and numeracy skills than they do. Communities are poorly equipped to manage organisations, control finances, or adopt sound corporate governance practices. If present educational standards do not improve, the current generation of school age children will reach adulthood similarly ill-equipped to manage their own affairs, or run community organisations or enterprises.

Whilst educational disadvantage can be addressed by using appropriate adult education materials which explain financial and management concepts, other factors are more difficult to manage. The serious and life-threatening illnesses that are endemic in remote Indigenous communities – such as diabetes, heart disease and renal failure – mean that most adults will die in middle age. The high disease and death rate of themselves take an enormous toll on

³ Australian Medical Association submission on Aboriginal and Torres Strait Islander Health, *Aboriginal Health* 1999, p2

⁴ These issues have been well canvassed in the independent evaluation of Aboriginal education in the Northern Territory by Bob Collins, *Learning Lessons*.

communities, and the tragic fact is that few who have developed the skills will have the opportunity to pass them on to the next generation.

Capacity-building must therefore be approached on a broad scale, and should not concentrate on a handful of 'leaders', but on empowering as many individuals in a community as possible – so that responsibilities and knowledge are shared widely.

Poverty is another significant barrier. In mainstream communities, local organisations are often able to initiate projects by local fund-raising that then attracts support. In the Foundation's experience, the capacity to provide or secure initial 'seed' funding for a community initiative will then be backed by support from Governments or other bodies, however fundraising is generally simply not possible in remote communities because of the high levels of unemployment and poverty.

2. Lack of basic infrastructure in which 'capacity-building' can occur

Environments characterised by poverty, poor living conditions, high unemployment and almost total lack of amenities are not conducive to capacity-building.

Despite the fact that many remote Aboriginal communities are, in population, the size of small rural towns, they are not recognized as such, and are rarely equipped with more than the bare minimum of community infrastructure and facilities.

Apatula Community Chairperson, Mary Anderson, described the region in which she was working as a project officer with the NPY Women's Council in central Australia at a recent conference:

There are 26 communities in this area and many homelands. Some communities are small, with just a few families, while others can have up to 500 residents. Many communities have only basic services – a community office, store, garage, clinic and primary school; some have additional art and craft centres, aged care programs, pre school centres and recreation halls. Communities are separated from each other by considerable distances and are mostly a day's drive or more from the nearest towns. Roads are corrugated dirt, and living conditions are generally poor. We have significant and complex social, economic and health issues in our region.⁵

⁵ Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council; paper delivered at *Learning from the Past, Thinking about the Future Conference*, Sydney July 2002

This picture is roughly the same throughout the Northern Territory, though there are a number of larger communities with more than 1,000 residents, such as Wadeye (Port Keats) and Maningrida which should rightly be considered small towns and would be comparable to a mining town, defence base or large tourist resort such as Yulara.

In stark contrast however, Aboriginal communities do not have the sort of facilities that are considered essential by mainstream communities and which are provided, often at Government expense in comparable sized towns – antenatal care, pre-schools and kindergartens, libraries, swimming pools, sporting facilities. Housing infrastructure is poor, incomes are low, and prices are high in what is usually the only store in the community.

Such towns are considered hardship postings for non-Indigenous employees, who often receive special incentives (such as paid electricity, free housing and tax rebates) on top of their salaries as compensation for living in such disadvantaged conditions. Few non-Indigenous families are willing to bring up their children in such an environment.

In contrast, Aboriginal employees in remote communities do not receive such benefits, so for example an Aboriginal council employee or teacher may be doing exactly the same job, but is effectively paid less – and on top of their job and its demands, must cope at home with overcrowding, poor living conditions, social disturbance and other community problems.

3. The lack of availability of services and lack of funding equity

The Commonwealth Grants Commission Report on Indigenous Funding 2001 noted that Indigenous Australians in all regions access mainstream services at very much lower rates than non-Indigenous people, even in urban areas where the services are physically accessible and that “mainstream programs provided by the Commonwealth do not adequately meet the needs of Indigenous people because of barriers to access.”⁶

Indigenous people in remote areas are particularly disadvantaged because the services in many cases simply aren't there – either because they are not provided or physical access to them is restricted by distance.⁷

For example, despite the much poorer health status of Indigenous people, their use of primary health services compared with non-Indigenous use is much lower. In remote areas it is approximately 24% of the non-Indigenous national

⁶ Commonwealth Grants Commission Report on Indigenous Funding 2001, Vol 1, page xvi

⁷ *ibid*, pp 61-62

average.⁸ In education, 64% of Indigenous people living in rural areas live more than 50 kilometres from a TAFE college⁹ High schools in the Northern Territory are only placed in Darwin and a handful of major regional centres, leaving almost all remote Aboriginal communities without access to a high school.

The problems of access and availability are further compounded by the lack of funding equity. In many cases, communities are themselves attempting to provide services that are lacking, and are grossly under-funded to do so.

The Indigenous Funding Report also commented that

Commonwealth Indigenous-specific programs are intended to provide targeted assistance to Indigenous people to supplement the delivery of services through mainstream programs. ...The failure of mainstream programs to effectively address needs of Indigenous people means that Indigenous-specific programs are expected to do more than they were designed, and funded, to achieve.¹⁰

Indigenous-specific programs that are effectively replacing mainstream services are chronically under-funded and do not received equitable funding in comparison with mainstream services.

A recent example is offered by the Katherine West Coordinated Care Trial. The Katherine West Health Board now provides primary health care services to communities (and to non-Indigenous people) in a large region between Katherine and the Western Australia border. The KWHB received ‘pooled’ funds which the Northern Territory would in total have provided to the region. Additional funds came from the Health Insurance Commission, with participating communities ‘cashed out’ with an additional payment calculated on gaining normal access to Medical Benefits Scheme and Pharmaceutical Benefit Scheme rebates. There are few doctors or pharmacies in remote communities to generate these rebates, and Aboriginal people generally do not use Medicare cards. National Aboriginal utilisation of the Medicare Benefits Scheme is only one quarter of the rate of other Australians, despite the fact that their health needs are approximately three times higher.

The ‘cash out’ amount was based on the average paid to citizens throughout Australia (approximately \$536 per person) and the additional funds provided to the Katherine Region represented a net increase of *\$1.5 million per annum*, based on the national average alone. Arguably the amount should have been

⁸ *ibid*, page 59

⁹ *ibid*, page 62

¹⁰ *ibid*, page 65

much greater, given the poorer health and greater need of Indigenous people. Westbury and Saunders describe this as a major source of inequity in the present health system of remote area health care, when compared to funds and services available to the rest of the community.¹¹

In 1998 it was estimated that redeploying about 1% of the healthcare budget would increase spending on Indigenous health services by about 50% and could be achieved with very little health sacrifice for non-Indigenous Australians.¹²

Equity in funding should not be confined to direct parity – ie ensuring that Indigenous organisations and services receive equivalent funding to provide services that are provided to the mainstream – though this would be an improvement. Funding should be weighted according to need (as for example occurs with increased health funding for the elderly in the mainstream population), weighting Indigenous services according to the benefits and improved outcomes they can provide.¹³

4. The complexity of Government funding arrangements and lack of coordination of services at various levels of Government

In their recent CAEPR working paper on governance and service delivery for remote Aboriginal communities¹⁴, Neil Westbury and Will Sanders observed:

There are very complex funding arrangements that govern service delivery to remote Aboriginal communities. These are reflected in the sheer number of agencies, the overlapping Commonwealth, State and Territory fiscal arrangements; the division of roles and responsibilities between ATSIC and the Northern Territory Government; and the role and structures of local governance. These all serve to muddy the waters in developing agreed objectives and identifying lines of accountability in service delivery... .. The current plethora of funding arrangements in relation to Aboriginal service delivery is starkly highlighted at the remote community level where funding arrangements are complex and provided through numerous independent sources. These sources are difficult to trace, thus accentuating the fragmentation of service delivery, significantly hindering coordinated community development and financial accountability.

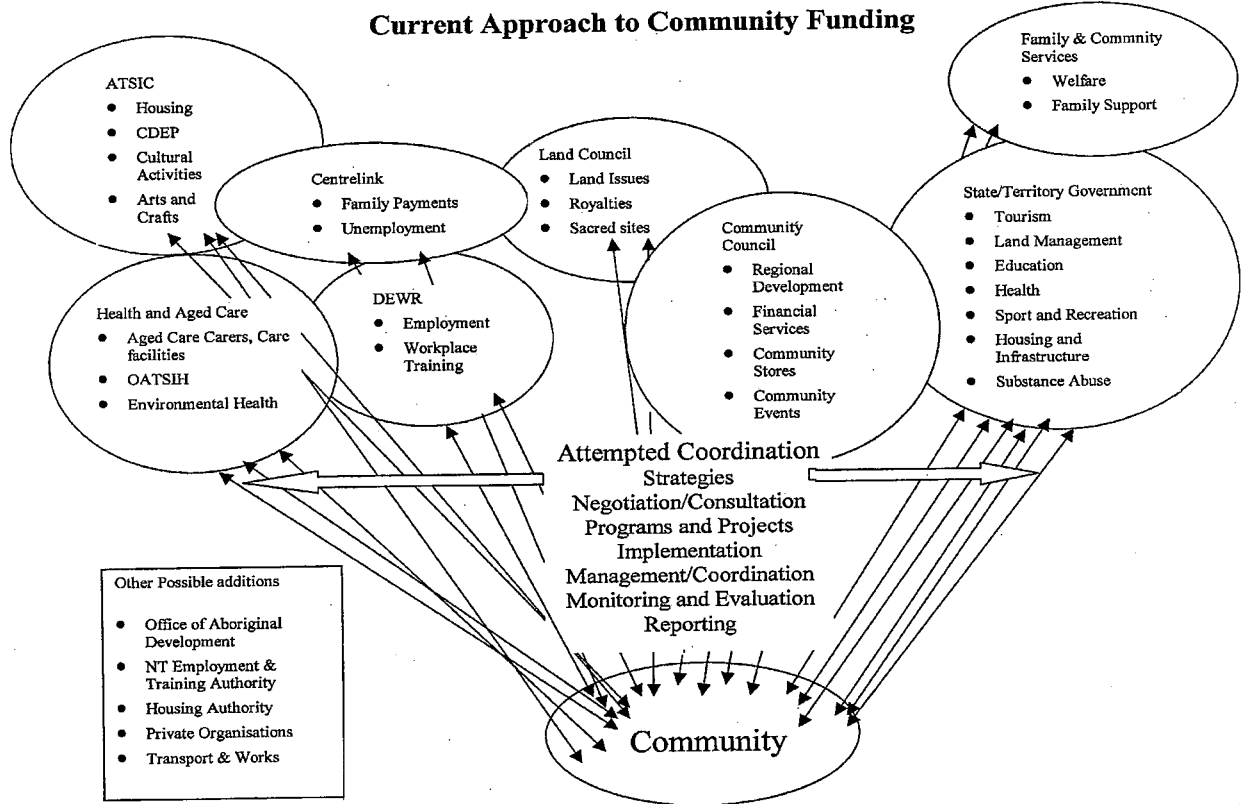
The diagram on the next page illustrates the complexity of these arrangements.

¹¹ N Westbury and W Sanders, Governance and service delivery for remote Aboriginal communities in the Northern Territory: challenges and opportunities, CAEPR Working paper No 6/2000.

¹² Mooney, G, Wiseman, V.L. and Jan, S 'How much should we be spending on health services for Aboriginal and Torres Strait Islander people?', in *Medical Journal of Australia*, 1998; 169: 508-509

¹³ A proposal outlining this approach in relation to Health is put forward in the paper referred to in footnote 10.

¹⁴ Centre for Aboriginal Economic Policy Research; *op cit*



This issue has been consistently raised as a major issue of concern for decades, even preceding the Royal Commission into Aboriginal Deaths in Custody.

Most recently, the Commonwealth Grants Commission Report on Indigenous Funding noted that Australia’s federal system of government blurs service delivery responsibility between governments. This lack of clarity on the allocation of responsibility creates opportunities for cost shifting between levels of government and between agencies at the same level of government. This leads to State governments ignoring the needs of Indigenous communities and leaving other agencies (such as ATSIIC) to

provide the services, and to funds provided for Indigenous-specific programs being diverted to other purposes.¹⁵

Community organisations on the receiving end of these funding arrangements confront a nightmare of bureaucracy. The NPY Women's Council provides health, community and cultural services to some 6000 men, women and children living in Ngaanyatjarra, Pitjantjatjara and Yankunytjatjara communities in the 350,000 sq km cross border region of Western Australia, South Australia and the Northern Territory. These services include accommodation, domestic violence, nutrition support, aged care support and advocacy, respite for carers and young peoples' support programs – all vitally needed in these bush communities. The services are provided in hostile and difficult conditions by an organisation which is self-initiated, community controlled and highly motivated, yet is not funded to employ bookkeepers and administrators and cannot secure long-term funding for the essential community services it provides.

Our organisation currently acquits 59 grants for our 17 programs. We receive funding from 6 separate government departments and 7 other bodies – including if we are very lucky the odd philanthropic grant. We are not unlike a town council managing multi-funding sources. Most funding agreements are lengthy, verbose in 'bureaucratese' and usually totally irrelevant to remote communities. They are based on mainstream services delivered in the cities. Most often we get one off funding, or annual funding and if we are really lucky from time to time a 3-year funding cycle. We are required largely to provide quarterly financial statements and 6 monthly written reports. Regardless of the grant being for \$5,000 or \$150,000, very often the same amount of work is needed to acquit the grant.

Maggie Kavanagh, Coordinator, NPY Women's Council¹⁶

'... We talk about change, but programs are always set up to fail, they are never properly funded and they fall short. Programs are always competing for funding, meaning that organizations working in the same area do not work together to combat one issue. In our program, our aim is to support every community so that they can run their own programs, where we would go in and teach them how. We can't do that at the moment with the \$70,000 that we get from OATSIH and only two people employed.'

Mary Anderson, Chairperson, Apatula Community,
former Project Worker, Young Mothers and Babies Program,
NPY Women's Council¹⁷

¹⁵ page 57

¹⁶ 'Sustaining long-term community programs in a constant funding crisis', paper delivered at *Learning from the Past, Thinking about the Future Conference*, Sydney July 2002.

The council's difficulties are compounded by its location in a cross border region:

We face constant challenges dealing with the vagaries of trying to get cross border funding. With ATSIC for example we must lodge 3 separate applications to 3 different regional councils in three separate towns for the same programs. This of course means more work for us and it is difficult to understand that the system won't allow us to lodge our applications with one office and be considered a multi-regional program. Our attempts to instigate this have failed. We have had the ludicrous situation of being knocked back by one office for funding as we did not fit their guidelines and yet the other 2 offices did fund us for exactly the same application. We have also had one office tell us we were in breach of our funding because we had lodged a financial statement using cents instead of dollars only. Once again the other 2 offices had no objections with exactly the same statement. ... There has to be a greater will on the part of the government to take some responsibility for the impossible situation we are placed in. It is too convenient to keep dumping more and more requirements on communities and organisations in acquitting grants, to comply with unrealistic project performance indicators, to not offer support and to not fund these infrastructure positions that are vital in order to enable the programming to take place.

Getting funding, keeping it; the whole process is a nightmare. It's one off, it's hit and miss, it's a lottery and it's a game, and it is disempowering to indigenous people'

5. Lack of sustainability in Government programs – the impact of electoral and funding cycles

Programs and services delivered by community organisations are negatively affected by the insecurity of funding available to them. Funding from Government is generally far too short-term to make a difference and is subject to changes of policy, restrictive guidelines that may not be relevant to community needs and even changes of staff who interpret guidelines differently. Many successful community initiatives fail to achieve lasting benefits because they are unable to obtain secure funding.

The short time frames are particularly problematic. Effective programs will rarely have a lasting positive impact if only conducted for a year or two, and will not even be effective for the full period for which they are funded if those working in the program know the funding will soon run out. Recruiting staff to remote areas can be difficult, and sustaining programs at certain times of the year when weather conditions or ceremonial activity intervene is

¹⁷ Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council; paper delivered at *Learning from the Past, Thinking about the Future Conference*, Sydney July 2002.

difficult if not impossible. The funding cycles are also restrictive and inflexible in responding to changing community needs.

6. *The lack of accountability of Government departments to achieve measurable outcomes in the delivery of services.*

Whilst Indigenous community organisations are burdened with almost impossible administrative and acquittal responsibilities in the name of ‘accountability’¹⁸, governments are not required to account either for the use of funds or effectiveness of programs and services for Indigenous people.

As noted above, the funding arrangements between Federal and State Governments create the potential for ‘cost shifting’, diverting funds away from areas of need and leaving the tasks of service delivery to under funded Indigenous-specific programs which cannot meet the weight of need.

Prime examples in the Northern Territory are education and health services. *Learning Lessons*, the independent review of Indigenous education in the Northern Territory by former Senator, Bob Collins, reported that only 4% of Year 5 Indigenous students in non-urban NT schools, and only 36% in urban schools met national reading benchmarks in 1998, and that standards were in fact deteriorating.

Similarly, the Commonwealth Grants Commission inquiry found that some 480 communities, mostly in northern regions, had high needs for basic infrastructure such as water, power and sewerage. A high proportion of these were small communities, but there were communities of over 1,000 people in the Nhulunbuy and Jabiru regions which also have high needs for basic infrastructure.¹⁹

Similar shortfalls in meeting basic human needs and ‘citizenship rights’ apply to all other areas of service delivery.

7. *The lack of Indigenous control over decision-making*

Whilst the discussion paper associated with the Standing Committee’s Terms of Reference for this inquiry (‘Why have the Inquiry?’) states that governments now acknowledge the importance of an Indigenous role in design and delivery of Government services, and that service delivery is

¹⁸ The CGC Report on Indigenous Funding cited an example of a community organisation, representing less than 200 people, being required to keep 26 separate bank accounts to comply with funding conditions, see page 68

¹⁹ *Ibid* pages 23-24

most effective if communities themselves control or strongly influence funding priorities, or deliver services themselves, these trends do not constitute Indigenous power over decision-making.

In practice, existing structures undermine the power of Indigenous peoples to make decisions about matters that affect their every day lives. As Diane Smith noted in a recent paper on a model for developing Community Participation Agreements for the delivery of social security and welfare services at Mutitjulu (central Australia),

At the community level, the most fundamental component of the success or otherwise of the proposed Mutitjulu Agreement would be strong governance structures and accountable decision-making processes. At the moment, community governance structures and decision-making are undermined by the multiplicity of other local and regional corporate structures. A number of these agencies compete for service delivery, and are seemingly bent on protecting their particular relationships with key Anangu from the community, rather than attempting to deliver better outcomes for all residents. There is a history of poor coordination between local agencies and a lack of shared commitment to community development goals. The Council is daily forced to negotiate these tensions and unclear lines of decision-making.²⁰

In developing the model, the community determined it needed not merely a 'Participation agreement', but a 'Participation and Partnership Agreement', which will include the delegation of genuine decision-making power to the community council, as well as the formation of practical partnerships with key government departments and local agencies.

However, the process of developing the model also highlighted the undermining of the community's culturally-based forms of social and cultural capital by external factors beyond the community's control:

- Failure of governments to develop a comprehensive approach to planning
- Inter-generational welfare dependence
- The multiplicity of local corporate structures and institutions with ill-defined roles and poor accountability to the community²¹

²⁰ D.E Smith, 'Community Participation Agreements: A model for welfare reform from community-based research', CAEPR paper no.223, 2001, page 34

²¹ *Ibid*, abstract

More than 1500 kilometres away, Richard Trudgen identified similar impacts on communities which have resulted in powerlessness and hopelessness in Aboriginal communities in Arnhem Land.²²

The discussion paper ('Why have the inquiry?') also suggests that "*National comment and overseas evidence also suggests that access to natural resources (including land) and finance is less important for community development and economic growth than effective governance at the community and regional level.*" It is difficult to understand the purpose of such a comment.

The leading overseas 'evidence' in this field is the work done by Stephen Cornell and Joseph Kalt in the United States in the Harvard Project on American Indian Economic Development. Whilst the researchers do emphasise the critical importance of good government, they do not discount the value – or indeed the right of Indigenous people – to the use and control of their land and resources. Many of the examples cited are precisely about the effective management of such resources to the benefit of Indigenous communities – indeed, the authors note that 'Obviously, having more resources to work with is better than having less'.²³

Amongst the critical factors that were identified through the research as essential to successful economic development were: jurisdiction (decision-making power); effective and stable governing institutions; 'cultural match'; and strategic thinking.

'We have yet to find a single case in the United States of sustained economic activity on indigenous lands in which some governmental body other than the indigenous Nation itself is making the decisions about governmental structure, about natural resource use, about internal civil affairs, about development strategies and so forth. ... When decision-making power moves into indigenous hands, they absorb the consequences when they screw up. They reap the benefits when they make good decisions. The consequences are that over time the quality of the decisions improves. You have to allow time for learning and time for mistakes, but our evidence is that over time indigenous Nations are much better decision-makers about their affairs and resources than anybody else is because it's their future that's at stake.' [emphasis added]

There are many, many examples of Indigenous efforts to take control of issues and problems into their own hands which have been ignored or rejected by decision-making bodies. Some community initiatives have survived and succeeded, despite

²² *Op cit*, see in particular pages 220-222

²³ Cornell, S and Kalt, J, 'Sovereignty and Nation-Building: The Development Challenge in Indian Country Today'; Harvard Project on American Indian Economic Development, Malcolm Wiener Centre for Social Policy, John F Kennedy School of Government, Harvard University, 1998, page 4.

the initial lack of support for them – for example, the development of Aboriginal controlled medical services, ‘night patrols’ to tackle alcohol related social problems in remote communities, or the development of umbrella organisations such as Julalikari Council (Tennant Creek) and Tangentyere Council (Alice Springs). All of these were initiated at community level in response to local needs, but were initially denied support because they did not fit Government program guidelines.

Unfortunately, many initiatives have also been tried and succeeded, but have not continued because the decision-making body which controlled the funding ceased to support the program or because policy changed.

4. Capacity Building in Indigenous Communities – response to the Terms of Reference and discussion issues

As noted above, The Fred Hollows Foundation strongly supports capacity building that responds to Indigenous people’s initiatives, provided that the approach to capacity building is founded on sound principles of self-determination. This must not be merely another policy fashion which will have some short term currency, be applied haphazardly without genuine Indigenous partnership or empowerment, and will later be deemed to have been tried and failed.

We urge the Standing Committee to consider the research findings of the Harvard Project on American Indian Economic Development, briefly referred to above. Of particular relevance to this inquiry are the findings that genuine decision-making power and control, and cultural match – ie institutions that reflect traditional structures and laws – are critical to the successful management of their affairs by Indigenous people.

a) building the capacity of community members, organisations and councils

Leadership

As noted above, we do not support a concept of capacity-building which is focussed on community ‘leaders’ as such an approach is both impractical and culturally inappropriate.

The desire to find leaders and ‘coach’ them in order to bring about changes in the community is perhaps more about the desire of outside agencies to have a community representative they can deal with and ‘consult’ with for their convenience, than a genuine reflection of the way Indigenous communities function. It reflects the external society’s need for people ‘like themselves’ to relate to and communicate with, not the community’s approach to decision-making and responsibility. This approach in fact

undermines traditional decision-making and power structures, and undermines the authority of senior people who may not have the skills required by the mainstream.

Individuals in communities who already have skills such as the ability to speak English, literacy etc, are loaded up with responsibilities – sitting on councils and committees, translating at meetings and responding to many competing demands. These few people are often targeted by external bodies and agencies because of their skills and become the main means of communication and 'consultation' with communities. They also tend to be given greater opportunities for training and development. This 'promoting up' of individuals as 'leaders' is inappropriate and places enormous pressure and often conflicting responsibilities upon individuals. It also makes communities (and outside agencies) dependent upon them and denies others the opportunity for genuine participation in decision-making and to develop themselves. This approach also tends to disempower those who have traditional authority and can cause community tensions.

Capacity building should follow the 'cultural fit' principle – it should strengthen and reinforce traditional structures, and respond to and support those the community wishes to have in authority. As Cornell and Kalt describe it: "*Cultural 'match' refers to the match between governing institutions and the prevailing ideas in the community about how authority should be organized and exercised.*"²⁴

Education

Addressing the critical educational needs of all age groups within communities must be a high priority. If this issue is not addressed, capacity building efforts will be pointless. A systematic approach to the issue needs to be taken and should include identification of the barriers to education, the reasons for poor school attendance in many remote communities and ways in which communities can gain ownership of and active involvement in education processes.

Adult education is also critical. In the past, adult educators were employed in most remote area communities, however this area has been neglected for some time now.

Whilst addressing educational needs is urgent, there are nevertheless many approaches that can be adopted to equip adults to take effective control over

²⁴ Stephen Cornell and Joseph Kalt, 'Sovereignty and National-Building: The Development Challenge in Indian Country Today', 1998

decision-making and to support community empowerment. As the following examples illustrate, there are practical ways in which the shortfall in numeracy and literacy can be overcome in order to build community capacity.

Elements of Capacity building

1. Recognising ‘where people are at’

The most critical element of capacity building in our view is to start with where people actually are, and work to build upon that. It is essentially about supporting people to make sound decisions, order their own priorities and to do things for themselves.

Recognising ‘where people are at’ involves identifying the current levels of skill, capacity and resources, and then identifying the gaps that need to be filled. This assessment must be done by the people themselves. The needs may be for resources, information, expertise or funds.

2. Recognising and responding to what the community identifies as its needs

It is the role of the supporting agency to respond to those identified needs, rather than determine what is needed or give what is not requested. The history of policy-making in Indigenous affairs is one of external bodies determining what should be done and trying to impose their solutions. The needs and priorities determined by communities often do not match the expectations of outsiders, however it is the people in communities who have to live with the problems and find solutions that will work for them.

3. Empowerment

Work done with communities should support the community to take power over and responsibility for decision-making and problem solving.

Active effort needs to be made to ensure that the principle of ‘cultural fit’ is adhered to and that communities are not forced or pressured into adapting to decision-making structures which won’t work for them.

‘Community consultation’ is not empowerment, as the decision-making power still lies with people outside the community.

4. *Work to support and strengthen existing community initiatives and programs*

Whilst Aboriginal communities are more than well aware of their problems and can identify workable solutions, they are rarely given the support they actually need to put the solutions into effect. Rather than inventing the solutions, it is better to work with something that already exists and that the community has already established. Often all that is needed is a little extra – funds, resources, expertise etc – that will help the community to expand or consolidate something that is working and meets local needs.

Compared with mainstream communities, Aboriginal people are actively involved to an extraordinary extent in providing services for their own communities, developing and participating in community organisations to tackle local issues. Such initiatives employ local people and engage the community in solving its own problems. However as noted above, people in communities are isolated and, because of high levels of poverty, are unable to raise funds or find spare resources within their communities to develop their own programs because there simply aren't any. People are caught in a 'Catch-22' situation where, until the programs are proven effective, they are unlikely to gain support from funding agencies because they don't fit established guidelines.

Supporting community initiatives reinforces community empowerment and engages community members in supporting their own people, rather than placing control outside the control of the community.

5. *Resources*

Often what is needed is simple, practical and inexpensive.

For example, a nutrition program for mothers and young children initiated by Women's Resource Centres (and subsequently supported by FHF) provides school breakfasts and lunches, meals for the aged, nutrition education of mothers and caregivers, and supplementary feeding programs for 'at risk' children (0-5 year olds). However the only equipment available to the women to do this were domestic pots and recycled tins. For the cost of just a few hundred dollars, we were able to provide kitchen equipment and large pots that enabled the women to cook meals on the scale required for the program.

The women also wanted advice from an experienced nutritionist to help them develop nutritious menus that could be prepared at low cost with limited equipment – so a nutritionist was employed.

This relatively simple cost-effective program has led to expansion of Women's Centre activities and increased community involvement in the Centre, which now provides nutritious meals daily for approximately 120 children, caters for community events and has established a laundromat business which earns the Centre a small income.

6. Information

Often what is needed is information that is accessible, is presented in ways that are culturally appropriate and that can be understood by people who have limited English and literacy. The FHF Financial Literacy Program (Money Story) provides an example of working with people 'where they are at', and providing needed information in ways that are practical and cost-effective. Rather than waiting for the next generation to be trained in financial management, people without formal skills can be supported now to take control of financial management.

It is not only important that communities be empowered to take control of financial decision-making, but also that the 'right' people – that is, those chosen by the community – occupy such positions of responsibility.

The Money Story (which has received a Telstra Small Business award) was designed to present complex financial information, reports and budgets to people who do not have financial literacy skills in a visual form that they can understand. This process is empowering, as it enables the community to take genuine control of its organisations and enables board members, councillors and others to fulfil their responsibilities.

7. Flexibility

It is important that agencies working with communities are flexible in responding to changing community needs and priorities. For example, a common problem for communities and agencies is the inflexibility of funding regimes. Funding may be granted for a particular purpose for only one year, but for a range of reasons (eg difficulty of recruiting staff, the death of a key person, flooding making roads impassable, etc.), the community may not be able to expend the money as intended within that time frame. Changing circumstances within the community may also result in a change of priorities. Supporting agencies need to be flexible in working with communities and be able to respond to changes of direction if sought by the community.

8. The role of Non-Government Organisations

In addition to the programs mentioned above, the Fred Hollows Foundation supports organisational development (providing professional and technical support to community and regional bodies to strengthen their governance), a stores program (critical in supporting improved nutrition in remote communities) and a Learning for Life program. Other relatively simple initiatives, such as supporting homemakers skills programs (to help people manage and maintain house hardware, family budgeting, nutrition etc) would make an enormous difference to the health and well-being of people in communities.

The programs that the Foundation has supported, such as the nutrition program and financial literacy programs, were unable to gain government support.

We believe there is enormous potential role for NGOs with development experience such as Oxfam-Community Aid Abroad, World Vision, Caritas and others. It appears that since the advent of ATSIC, and through a concern not to adopt a paternalistic or 'missionary' role, such organisations have withdrawn from this kind of work with Indigenous communities in Australia. However many have substantial experience working with poor communities with similar health and socio-economic profiles in developing countries which could be effectively applied in remote Indigenous communities.

Government agencies working in the present policy environment may not succeed in direct capacity building work with communities because government programs are not flexible, are not responsive to changing community needs and are limited in scope (short-term funding).

Government could however support NGO's to respond to community initiatives, and could in fact take the initiative of assisting Indigenous organisations or development NGOs to work together to develop capacity building programs. Community level organisations such as Julalikari, Tangentyere, the Jawoyn Association and a number of others are already engaged in this kind of work and have broad expertise in capacity building that should be utilised.

Government could also initiate a series of workshops or forums to link Indigenous and non-Indigenous capacity building organisations to share their expertise and develop training and organisational development programs around development and capacity building in Indigenous communities. An organisation such as the Edmund Rice Centre, with broad international experience in development, could be commissioned to plan and develop such a program in cooperation with Indigenous community organisations.

b) Indigenous organisations to better deliver and influence the delivery of services

Many of the points made in the preceding section apply equally to development of Indigenous community organisations.

1. Empowerment and financial management

A particularly important factor is enhancement of community control and empowerment through building financial management skills. A particular problem for many remote communities is the lack of capacity to manage and take financial control of their organisations due to poor education levels. Far too many remote communities have had large amounts of money embezzled or ‘ripped off’ by trusted non-Aboriginal employees, with catastrophic results for the community and its organisations. Aboriginal people do not want this to happen, and if provided with good information will make sound decisions.

The Money \$tory program referred to above has been very valuable to assist people running organisations to take full control of their organisations and make financial decisions. A number of community organisations in the Jawoyn communities have taken up the program – including Community Councils, school councils, community enterprises, store committees and women’s centres. It has assisted the community at Wugularr (Beswick) to regain ownership and control of the community store, which now employs 6 local staff who are receiving accredited store workers’ training. Community control has resulted in significant improvements in the range of stock and quality of food stocked, with emphasis on improving the quality of food and improved nutrition.

2. Governance and accountability

The current requirements of the *Aboriginal Councils and Associations Act 1976* have been much criticised. The Act, far from providing a simple and inexpensive means of incorporation as originally intended, has become excessively complex and imposes unnecessarily onerous reporting requirements on Aboriginal corporations that exceed the requirements of non-Indigenous corporations under the Corporations Act. The Act also imposes an inflexible corporation model that is generally not appropriate to the needs of Indigenous people in remote communities and does not empower communities to establish organisations that fit local cultural needs.

A current review of the Act has recognised that it does not promote accountability and good corporate governance, and is inflexible, culturally inappropriate and results in inappropriate corporations.²⁵

The review is now well advanced and the Office of the Registrar of Aboriginal Corporations expects to present a comprehensive report, recommending legislative changes which will make the act more flexible and appropriate, to the Minister for Immigration and Multicultural and Indigenous Affairs before the end of 2002.

There have been no amendments to the Act since 1992, and the current review acknowledges that the ACA Act is outdated and that many aspects of the Act may be seen as paternalistic, inappropriate to Indigenous society today and to the range of services Indigenous organisations provide. We urge the Standing Committee to recommend that proposed amendments to the Act, when available, be given high priority and that appropriate amendments be introduced into Parliament as expeditiously as possible.

3. *What makes a well run community?*

Well run communities are well-resourced, have capable management, have transparency and are accountable to their own people and have a sense of true community control and ownership. Genuine decision-making power is in the hands of the community, not outside agencies.

4. *Regional structures*

The discussion paper raises the question of whether there should be fewer community-based organisations and more regional ones. Whilst many community organisations are not adequately resourced to provide the range of services expected of them, it does not necessarily follow that there should be fewer organisations.

There are strong arguments for the creation of regional bodies that have strong community representation to provide specific services – such as the Katherine West Health Board’s delivery of health services to a large region – which can take advantage of pooled funding resources and can deliver services on a cost effective scale. However regional structures must support Indigenous decision-making and control and not be merely a channel for funding decisions taken elsewhere. Funding must also be adequate and

²⁵ Review of the Aboriginal Councils and Associations Act 1976 Consultation Paper – January 2002, paragraphs 22-27

equitable – at least comparable with mainstream funding per capita for similar services. Funding arrangements should be long-term and committed on at least a three year basis. Regional structures should benefit communities in practical ways and be responsive and accountable to communities.

c) government agencies – policy direction and management structures

1. Whole of Government approach

The diagram on page 11 illustrates the complexity of current funding arrangements and demonstrates the difficulties for community-based organisations which have to negotiate for funding support in such an absurdly complex system.

The appalling health and socio-economic statistics, and the fact that Australia lags behind other similar countries in achieving any significant improvements in the health and well-being of Indigenous peoples in Australia reinforce our failure to act decisively and comprehensively to tackle these problems.

What is clearly lacking is the will on the part of Governments – Commonwealth and State – to take a bi-partisan approach and to work cooperatively to develop a comprehensive approach to planning, funding and service delivery.

2. Partnerships

Whilst there is increasing emphasis on developing ‘partnerships’ with Indigenous communities, and increasing community participation, the partnership concept often exists only in rhetoric, not in practice. Funding decisions are taken by Governments and bureaucracies, the arrangements are inflexible and funding is tied to specific programs which are not necessarily responsive to Indigenous needs and priorities.

Partnerships between communities and government agencies are not genuine partnerships unless the inherent power relationship is addressed and communities are genuinely empowered by the partnership to make decisions which affect them.

A useful example, associated with welfare reform, is the proposal to initiate Community Participation Agreements. In response, the Mutitjulu community developed a proposal for such an agreement which seeks to address the community’s concerns about welfare dependence and to take greater control

of management and delivery of welfare services. The community seeks consolidated block funding, a delegation under the *Social Security Act 1999* and the devolution of genuine decision-making responsibilities to the community. The proposed agreement is founded on the development of practical partnerships with key government departments and local agencies and it is believed that this will be a critical factor in the overall success of the agreement.²⁶ If successful, the Mutitjulu Participation and Partnership Agreement could provide a model for the development of partnerships with communities for service delivery.

3. Funding agreements between agencies

Funding agreements are proposed as a cost-effective means of ensuring service delivery through agency cooperation and pooling of available funds for particular services. An example is the IHANT agreement (Indigenous Housing Authority of the Northern Territory) between the Commonwealth, the Northern Territory Government and ATSIC. This 1995 agreement effectively pooled available funds for housing, developed a 5 year strategic plan and a three year rolling operational plan, and a clearer framework for delivering housing and infrastructure to remote communities. Its decision-making structure includes Commonwealth and NT Government representatives, and elected ATSIC regional chairs. Whilst the arrangement is no doubt more cost-effective in terms of cooperative and effective use of funds than previous arrangements, the decision-making remains with external agencies, and communities do not appear to have a direct input. In addition this approach does not support the development of skills within communities as outside contractors are used.

In contrast, prior to the creation of ATSIC, the ADC (Aboriginal Development Corporation) housing program was based on working directly with communities and their individual housing associations. Under this scheme, community members were trained in building skills and housing associations determined community housing priorities and needs. Local workers constructed and repaired housing. The different policy approach taken by ATSIC resulted in the disbanding of the housing associations and cessation of employment in this work of trained local people.

Under the present arrangements, and for some time now, the use of outside contractors by the relevant agencies has meant that even though there are

²⁶ D. E. Smith, *Community Participation Agreements: a model for welfare reform from community-based research*, CAEPR, no.223, 2001

still many local people with the skills to do the work, they are not employed to do the work they have been trained to do.

We propose that consideration be given to an alternative approach to addressing the urgent housing needs of people in remote Northern Territory communities which would re-train local people and return skills and empowerment back to communities.

This would involve a major assessment or audit on a national scale of the infrastructure needs of communities and would require planning with at least a 5 years' scope to address the backlog in housing and infrastructure needs. The audit should include not only housing but other urgent needs, such as schools, clinics, roads, public and sporting facilities and should include skills audits to identify the level of existing skills and training and apprenticeship needs. Forward planning would require a significant lead time to provide training and the program itself would need to be rolled out over 3 year time frames instead of annual funding cycles. Such a program could be piloted in specific regions as the Coordinated Care Trials have been piloted in certain regions.

Such a program would have enormous beneficial flow-on to communities, and would effectively address many major issues - community dysfunction; employment, health and housing infrastructure.

Appendix 1

FHF-supported initiatives in the Northern Territory

Jawoyn Aboriginal communities and organisations in the Katherine region of the Northern Territory are addressing the problem of continuing poor health outcomes by engaging in *Nyirranggulung* (one mob all together). A component of this strategy has been a partnership between The Fred Hollows Foundation and the Jawoyn Association. The first initiative was to identify the various elements impeding better nutrition in the Jawoyn communities of Barunga, Manyallaluk, Wugularr and Bulman.

As a result, the Fred Hollows Foundation now supports a number of programs initiated in these communities:

- **Nutrition program** – undertaken by the Women’s Resource Centres. The program provides school breakfast and lunches, meals for the aged, nutrition education of mothers/caregivers, and supplementary feeding programs for ‘at risk’ children (0-5 year olds).
- **Financial literacy** – through the ‘Money \$tory’ – designed by Hugh Lovsey to provide financial information, reports and budgets that are appropriate for people without literacy and numeracy skills. The Community Councils, school councils, community enterprises, store committees and women’s centres have taken up this program.
- **Organisational development** – provides professional and technical support to Aboriginal organisations and institutions (local community and regional bodies) to strengthen the governance of these organisations.
- **Stores** – a comprehensive review of community stores (including financial, management and operational activities) is being undertaken at Wugularr. The stores play a critical role in the nutritional status of people living in remote communities.
- **Learning for Life** – a scoping study into the education and literacy needs of the communities with the aim of developing options and strategies to increase literacy levels throughout the region. Core elements include: early childhood education, parenting education, adult education and adult literacy.