3

Building the capacity of government agencies

Introduction

3.1   This chapter will address the term of reference:

> Building the capacity of government agencies so that policy
> direction and management structures will improve individual and
> community outcomes for Indigenous people.

3.2   The terms of reference required the Committee to inquire into and report
        on strategies to assist Aboriginal and Torres Strait Islanders better manage
        the delivery of services within their communities. In particular, building
        the capacities of:

> (a) individuals, families and communities;
>
> (b) Indigenous organisations; and
>
> (c) government agencies.

3.3   The Committee takes 'service delivery' to involve the provision of services
        relating to areas, such as health, education, welfare and justice, as well as
        infrastructure services such as sanitation, transport and housing.

3.4   Several submissions to the inquiry expressed concern over the order of the terms of reference.[1]

3.5   The Fred Hollows Foundation argued that the terms of reference may focus attention largely on the importance of building the capacity of communities, their leaders, and the governance of community organisations, without giving adequate recognition to the structural issues relating to service delivery. Thus, it argued, capacity building was unlikely to have much more than a marginal and short term benefit for Indigenous communities.[2]

3.6   In a slightly different vein, the Centre for Aboriginal Economic Policy Research (CAEPR) argued:

> All three levels of capacity building are important, although, in order of importance, CAEPR's research findings would probably rank them in the opposite way to that listed in the terms of reference.[3]

3.7   In rating paragraph (c) of the terms of reference first, CAEPR argued for the importance of government agency internal capacity building, and acknowledged government agencies' awareness of their lack of capacity in addressing Indigenous needs.[4]

3.8   The Committee agreed that for there to be a real change in the effectiveness of service delivery, and ultimately to the outcomes for Indigenous people, a significant change in the approach of government and to the attitude and skills of government agencies needs to occur. As such, the Committee concluded that it would be appropriate to address the terms of reference in reverse order to their original listing.

3.9   This chapter will deal with building the capacity of government agencies, while the following two chapters will address each of the other terms of reference, building the capacity of Indigenous organisations, and building the capacity of Indigenous individuals, families and communities, respectively.

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1   Such as The Fred Hollows Foundation, Submission 36, p. 4, and Centre for Aboriginal Economic Policy Research (CAEPR), Australian National University (ANU), Submission 25, p. 2.
2   The Fred Hollows Foundation, Submission 36, p. 4.
3   CAEPR, ANU, Submission 25, p. 2.
4   CAEPR, ANU, Submission 25, p. 2.

3.10   Four major themes arose in the evidence in relation to government agency capacity building. These were the need to enhance integration and cooperation, the need to enhance government service delivery, the need to enhance funding delivery and the need to enhance Indigenous-government partnerships. These themes will be covered in the four sections of this chapter.

Government integration and cooperation

Introduction

3.11   Evidence suggested that the current lack of integration and coordination, within and between levels of government and their agencies, played a significant role in poor service delivery to Indigenous Australians. Reconciliation Australia told the Committee that:

> The absence of a whole of government approach has serious implications for on the ground service provision in communities….the *capacity* of government departments to develop a collaborative approach is hard to generate, and even harder to maintain. …[Yet it] is this capacity that must be built if governments are to improve service delivery to Indigenous communities.[5]

Integration and coordination context

3.12   The need for a whole of government, integrated approach to service delivery (matched with other changes) was commonly argued as necessary to improve service delivery in order to address the acute socioeconomic disadvantage faced by Indigenous Australians.[6]

3.13   There is clearly a need for the current service delivery approach to change from a silo approach, in which government service agencies operate in isolation from each other, to a more collaborative framework involving cooperation between levels of government and their agencies, as well as partnerships with Indigenous people. This view was supported by the South Australian Department of Human Services:

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5   Reconciliation Australia, Submission 55, p. 21.
6   See, for example, Reconciliation Australia, Submission 55, p. 22.

> It is the deeply held view of Aboriginal people that service delivery has to change. The focus of "western" models of service delivery has been on separated service agencies, which operate in silos and, in the case of remote communities, "fly in, fly out" with little integration or joint planning in partnership with Aboriginal communities.[7]

3.14   Instances of duplication and the waste of resources were outlined to the Committee,[8] as were agency compartmentalism and the lack of a consistent 'on the ground' whole of government approach between agencies.[9]

3.15   The Committee believes that the silo approach prevents departmental officers from taking a more holistic approach to service provision and the strategies needed to address Indigenous disadvantage. The silo approach does not necessarily best support Aboriginal and Torres Strait Islander peoples' needs:

> Too many service-providers are locked into their specific job-roles and are, as a consequence, pretty useless unless an attending client presents with a need that lines up with the employee's own role and/or particular interests. This leads to frustration, delay, and an abandonment of duty-of-care in favour of referral to somebody else (who may or may not be available or willing to meet the client's actual needs). [10]

3.16   The Committee was also told by the Queensland Government:

> Improving coordination of government effort, at a Commonwealth, State and local jurisdiction, has been underway over the past few years with varying levels of success. Whole-of-governments policy frameworks have assisted in this process, however, barriers to achieving coordination remain in the form of program focused budget processes, lack of shared goals and priorities across government departments and agencies, and separate planning processes particularly at a strategic level.[11]

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7   Aboriginal Services Division, Department of Human Services, South Australia, Submission 49, p. 17.

8   Mr Tim Chatfield, Aboriginal and Torres Strait Islander Commission (ATSIC) Tumbukka, Transcript of discussion (18.02.03), p. 397, and Mr John Collyer, Worn Gundidj Aboriginal Cooperative, Transcript of discussion (18.02.03), p. 399.

9   Pilbara Regional Council, Submission 41, p. 2.

10   Dr John Bully, (private capacity), Submission 50, p. 3.

11   Queensland Government, Submission 56, p. 12.

3.17   Institutional change will be difficult. The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), referred to international experience on 'joined up government' progress in its submission. In commenting on the United Kingdom Government's approach to improving whole of government integration, DIMIA cautioned:

> …[I]t is important not to underestimate the difficulties involved in achieving effective joined up government, particularly in a context of functionally discrete departments of state with culturally entrenched preferences.[12]

3.18   However, the Committee believes that governments at all levels will need to address issues of integration. They will need to reinforce the positive initiatives that are currently occurring across governments and jurisdictions and build a culture of action based upon positive outcomes. The Department of Family and Community Services (FaCS) argued that:

> …[We] have a long way to go on this journey but there are a lot of very good things occurring. If we can actually harvest those and promote those a bit more and get people to cherry pick in a practical sense, we would create a lot more of a wave of hope than the wave of despair that often comes from people focusing on intransigent problems rather than on good solutions.[13]

3.19   A number of these positive initiatives will be addressed in this chapter.

Strategies to enhance government integration

Senior level communication and coordination

3.20   Better communication and information sharing across government agencies was identified as a key factor in achieving better integration and better managed service delivery to address Indigenous disadvantage. Some current initiatives have been outlined below.

The COAG Trial

3.21   The Council of Australian Governments (COAG), as part of its Reconciliation mandate and its acknowledgement of the uncoordinated

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12 Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), Submission 42, Attachment B, p. 5.

13 Mr Barry Smith, Indigenous Policy and North Australia Office, Department of Family and Community Services (FaCS), Transcript (25.06.03), p. 743.

nature of Australian governments,[14] has undertaken a trial of a whole of government cooperative approach to service delivery and partnership in a number of Indigenous communities and regions around Australia. The COAG Trial:

> … is about Australian governments working together with Indigenous communities… to get better results for people on the ground through more effective use of government expenditure. This will require governments to work together better at all levels across agencies and jurisdictions.[15]

3.22   COAG comprises the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association. The mandate of COAG is to:

> …initiate, develop and monitor the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments.[16]

3.23   The Committee commends the recent COAG focus on whole of government responses to Indigenous disadvantage under the rubric of reconciliation, but is concerned at the lack of target setting and the lack of reporting on the progress of the Trials.

3.24   The COAG Trial is focussed on the provision of services in a more coordinated and flexible way based on priorities agreed with communities. The core element of the new approach is:

> …based around shared responsibility: that is responsibility of governments to sensibly and effectively meet the needs and aspirations of Indigenous communities and the responsibility of Indigenous communities to identify needs and sustain activities funded to meet those needs.[17]

3.25   The major elements of the initiative include:

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14   Indigenous Communities Coordination Taskforce (ICCT), *COAG Initiative*, <http://www.icc.gov.au/coag_initiative?MySourceSession=79060032652ad43003c7f76830054 b1d> (accessed 21.04.04).

15   ICCT, 2004, *Who We Are*, <http://www.icc.gov.au/who_we_are> (accessed 21.04.04). See also chapter two. The agreement dates from April 2002.

16   Council of Australian Governments (COAG), *About COAG*, <http://www.coag.gov.au/about.htm> (accessed 21.04.04).

17   ICCT, Submission 40, p. 3.

- The Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA), which is a forum where Commonwealth and State and Territory Ministers with responsibility for Indigenous policy and/or program issues meet regularly to discuss matters of common interest. The Chairman of ATSIC attends meetings, and the Torres Strait Regional Authority and the Australian Local Government Association can participate but cannot vote on issues.[18]

- The Secretaries Group on Indigenous Issues, which is made up of a number of departmental secretaries and a deputy secretary from the Department of the Prime Minister and Cabinet. The group meets monthly and is tasked with overseeing the COAG initiative.

- The Indigenous Communities Coordination Task Force (ICCT), which was formed in May 2002 to supports Australian government Ministers and their heads of departments to progress the whole of government trial.[19]

3.26   The initiative is a significant step in enhancing the capacities of government agencies to assist in the improvement of individual and community outcomes for Indigenous Australians, both from the perspectives of policy direction and management structures, though the Committee remains concerned over the lack of progress with the initiative, the lack of significant results, and the small number of communities selected for the Trials.

Recommendation 3

The Committee recommends that the Commonwealth Government report to Parliament on an annual basis on the progress of the COAG Trial of the whole of government approach to service delivery in Indigenous communities and regions, and that procedures be implemented to ensure that the report presented in the House of Representatives stands referred to this Committee for its consideration and report.

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18   ICCT, Submission 40, p. 2. See also Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA), *About MCATSIA*, <http://www.daa.nsw.gov.au/about/MCATSIA.html> (accessed 21.04.04).

19   Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1347, and ICCT, Submission 40, pp. 2-4.

The COAG Secretaries Group

3.27   The COAG Secretaries Group is tasked with overseeing the development of the COAG Trial, promoting coordination between government agencies, overseeing the development of linkages between government levels to improve service delivery, and fostering cross-portfolio partnerships to address Indigenous disadvantage.[20]

3.28   Secretaries on the group sponsor, or champion, one of the Indigenous communities or regions participating in the Trial. This personal involvement of senior level officers is seen as critical in mobilising government agencies to better coordinate services. ICCT gave evidence concerning the importance of this senior level advocacy:

> We have the whole of government approach, having particular secretaries taking a leadership role. They represent the Australian government when they go to the site; they do not just represent their department. That has been a critical factor… For example, when the secretary that is dealing with the ACT trial, Roger Beale, goes to the table with the ACT government, he represents the whole of the Commonwealth government—all the agencies. That is something that is new. He is not just representing his portfolio. That gives us a lot of opportunity because, if he is required to make decisions, he is making them on behalf of all the agencies.[21]

3.29   The first year of the Trial gained the necessary support of the Indigenous community Trial sites. The Committee visited a number of these sites.[22]

3.30   The Committee was told that in all jurisdictions, intergovernmental forums have been formed to promote better coordination of government services. While COAG and other senior governmental committees have met regularly to discuss Indigenous affairs, the current COAG initiative is the first attempt to bring a commitment from the Prime Minister, Ministers and Premiers, down to heads of departments, and across all portfolios.[23]

3.31   The Committee believes that collaboration of government agencies at senior levels offers an opportunity for greater information sharing and a commitment to integrate services, resources, programs, and personnel.

20   ICCT, Submission 40, p. 3.
21   Mr Geoffrey Richardson, ICCT, Transcript (13.10.03), p. 1361.
22   For example, the Committee visited Wadeye (NT), and Shepparton (VIC).
23   Ms Dianne Hawgood, ICCT, Transcript (13.10.03), pp. 1348-1350.

Because of the complex nature of Indigenous service provision, integration must happen across government and, critically, between governments and levels of government, and be location specific. The Secretaries Group is an important initiative, but is yet to show significant results. The Committee is concerned that the initiative may lack a driving force and suffers from the absence of regular reporting requirements.

Location specific solutions

3.32   In addition to high level communication, there is much evidence to suggest that services are more effective when delivered in a location specific manner. That is, in response to the needs of a community or region, rather than in response to centrally developed, generic policy.

3.33   Location specific responses usually involve agency staff working together with a community to identify needs and develop a strategy for meeting those needs. This can be referred to as a type of 'bottom up' process, in juxtaposition to 'top down' approaches driven by policy makers external to the community or region. Location specific approaches are a method of addressing the problem of there being no 'one size fits all' model for service delivery to Australia's Indigenous people. ATSIC told the Committee that:

> The diversity and complexity of contemporary Indigenous societies and cultures point to the need for *location specific* responses by service delivery agencies in all jurisdictions. Such location specific responses should be driven by local and regional perspectives, through community and regional plans, and by formalising a shared partnership arrangement through agreement making, based on those plans.[24]

3.34   Location specific solutions may involve the development of community or regional plans, on which government agencies come together to support service delivery and capacity building at the community level. The strength, capacity, and governance of Indigenous communities become critical in this approach:

> …[It is] important to establish strong community or regional Indigenous organisations. Such organisations would articulate the community's development agenda and play a significant role in coordinating State/Territory and Federal government agencies to

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24   ATSIC, Submission 66, p. 4.

> ensure adequate and appropriate level[s] of funding and service delivery are provided and that there is a more holistic approach to Indigenous social and economic development.[25]

The co-location of agency staff at COAG Trial sites

3.35   As part of the COAG Trial, staff from various levels of government are co-located at a number of sites. Thus, one of the benefits of the COAG Trial is the combination of both high level coordination and on the ground staff inter-agency coordination.

3.36   In Queensland, the Cape York COAG Trial site is an example of a location specific service delivery site with co-located staff. The Queensland Government's submission noted that:

> …[T]he Cape York Strategy Unit (CYSU) within the Queensland Department of Aboriginal and Torres Strait Islander Policy [is] to coordinate whole-of-government activity in the Cape. The Unit will comprise both teams of core staff as well as a number of "interchange officers" from key agencies such as the Queensland Police Service, Department of State Development, Queensland Health and Education Queensland. In addition, the CYSU hosts a Commonwealth Senior Executive Officer to coordinate activity and engagement between community, State Government and Commonwealth Government sectors.[26]

Redfern/Waterloo Partnership Project

3.37   Another working example of a location specific approach that was brought to the Committee's attention was the Redfern/Waterloo Partnership Project in Sydney's inner suburbs. The project is sponsored by the Premier's Department and is a whole of government, whole of community approach to addressing the complex issues in the Redfern and Waterloo communities. The Project Coordinator told the Committee that:

> The principles that the project operates on are pretty straightforward. It is about partnerships between government, council, non-government agencies and the community. It is about

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25 Faculty of Aboriginal and Torres Strait Islander Studies and Centre for Indigenous Natural and Cultural Resource Management, Northern Territory University (NTU), Submission 27, p. 30.

26 Queensland Government, Submission 56, p. 7.

> integration of activities, programs and services, and that is across and between all of the partners. [27]

3.38   The Redfern/Waterloo Partnership Project is undertaking a human services audit to map out what services exist in Redfern and Waterloo, the quality of services being delivered, the areas of highest priority, and whether the capacity of services and their processes needs to be improved. The outcome of the audit is:

> [To look] at different ways of getting services to operate together. That may mean co-locating, for instance, government and non-government services together so that we break down the silos that have traditionally existed.[28]

3.39   The Committee commends this approach, and believes the project may provide a model for location specific urban Indigenous community engagement. The Committee looks forward to developments.

Rural and remote location specific responses

3.40   Two approaches to the specific service delivery issues of rural and remote communities are Rural Transaction Centres and Remote Area Service Centres.

3.41   The Department of Transport and Regional Services (DOTARS) operates Rural Transaction Centres (RTCs), which are service centres designed to house a number of services in a single location for small communities in remote areas. Services are chosen by the community and may include services such as banking, Centrelink, Medicare, postage, and Commonwealth, State, Territory and/or local government services.[29] The Committee believes this approach offers cost-efficiency, staff support, as well as more integrated services to Indigenous communities.

3.42   Remote Area Service Centres (RASCs) are a Commonwealth initiative and part of the Australians Working Together package. RASC is a small office located in a remote community which services and supports that community as well as the surrounding communities and outstations. An RASC works as the centre of a hub, to supply integrated service delivery

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27   Mr Michael Ramsey, Redfern/Waterloo Partnership Project, Premier's Department, NSW, Transcript (08.04.03), p. 670.

28   Mr Michael Ramsey, Redfern/Waterloo Partnership Project, Premier's Department, NSW, Transcript (08.04.03), p. 672.

29   Department of Transport and Regional Services (DOTARS) *Rural Transaction Centres*, <http://www.www.dotars.gov.au/rtc/info/index.htm> (accessed 14.12.03).

and enable Indigenous Australians to have improved access to the full range of Centrelink services.[30]

3.43   RASCs are a model that offers integrated service delivery, employs local Indigenous people, recognises cultural/language relationships and acknowledges that Indigenous people can have difficulty accessing mainstream services in remote and rural areas.[31]

Conclusions

3.44   The Committee views location specific, integrated responses, particularly those involving partnerships between government and across jurisdictions, and those with Indigenous communities, as solutions to improve the coordination of service delivery.

3.45   The Committee therefore proposes that the Commonwealth Government, in cooperation with the States and Territories, and in consultation with Indigenous communities, review current service delivery arrangements with a view to encouraging:

   (a) location specific responses to service delivery;

   (b) co-location of departmental staff;

   (c) secondment of central agency staff to work in location specific teams; and

   (d) more departmental officers in communities to coordinate services.

Enhanced communication between agencies and communities

3.46   Another level of activity where integration and communication can occur, is when levels of government cooperate to work with a particular community in order to address their needs through agreement making. This section of the report outlines a series of approaches to improve outcomes for Indigenous Australians through communication and agreement making.

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30   Australians Working Together, *Indigenous Australians - Questions and Answers* <http://www.together.gov.au/whoIsInvolved/indigenousAustralians/questionsAndAnswers.asp#1> (accessed 14.12.03).

31   *ibid*

Championing communities

3.47   The Queensland Government has developed the Champions program where directors-general of State agencies champion Indigenous communities. The principal is similar to the Secretaries Group established under COAG. The Queensland Government advised the Committee that:

> In the CEO Champions program, CEOs of Queensland Government departments have been allocated an Indigenous (mainland) community with which they have a special relationship. This provides communities with a direct link to the highest levels of the bureaucracy. In addition to being available to advocate on their behalf in Brisbane, CEOs visit "their" community and meet with community members at least twice a year.[32]

3.48   This approach builds partnerships between Indigenous communities and senior levels of government at a State government level.

Negotiation Tables

3.49   The Committee received evidence relating to the Negotiation Table model being trialled in Queensland as a way of conducting business between an Indigenous community and government. Negotiation Tables involve working in partnership with Indigenous communities at the regional and State level to address a range of issues affecting Indigenous people. The approach allows community representatives to speak with government department representatives and to negotiate commitments to priority areas.[33] This creates a forum for both community-government communication and inter-agency communication. The Queensland Government told the Committee that:

> Four negotiation tables have been established under the Ten Year Partnership… There have been incremental achievements from each of the negotiation tables including: the formalisation of community and government negotiation teams, including Commonwealth agencies; building of relationships to underpin negotiations undertaken in good faith; establishing capacity

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32   Queensland Government, Submission 56, p. 5.

33   Cape York Partnerships, 2001, *Lockhart Community Negotiation Tables a Success*, <http://www.capeyorkpartnerships.com/media/newsletters/february2001.htm> (accessed 21.04.01).

> building programs; and, the identification of community
> priorities.[34]

3.50   A significant goal of Negotiation Tables is to develop partnership
        agreements based upon community priorities. The Queensland
        Government views the use of agreements as having value in coordinating
        location specific service delivery by providing government agencies with a
        strategic plan. The principal goals of Negotiation Tables are to:

- provide a mechanism whereby Aboriginal and Torres Strait
  Islander community representatives can directly influence
  Government decision-making and directly negotiate with
  Government representatives for new policy responses, service
  delivery and program initiatives;

- overcome problems of a lack of coordination between agencies
  and jurisdictions and improve Government's responsiveness to
  communities' holistic needs; and

- encourage shared or transferred responsibility between
  Government and communities.[35]

3.51   The emphasis of Negotiation Tables is upon mutual planning and goal
        setting, responsibility, accountability and ownership of agreed outcomes
        as outlined in a community or regional action plan. The Committee notes,
        however, the importance of realising that negotiation between unequal
        partners is not real negotiation. Both partners need to be adequately
        resourced if the negotiations are to achieve real outcomes.

Memorandums of Understanding

3.52   Another method of communicating and agreement making brought to the
        Committee's attention was the development of Memorandums of
        Understanding (MOUs). An MOU is a document providing a general
        description of the agreed upon responsibilities of two or more parties in
        the voluntary pursuit of shared goals, creating a framework of cooperation
        and a public commitment to the achievement of goals.

3.53   One example of an MOU is that between Aboriginal and Torres Strait
        Islander Services (ATSIS) and the NGO Oxfam Community Aid Abroad,
        which aims to develop the capacity of ATSIS in the area of community
        development.[36]

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34   Queensland Government, Submission 56, p. 6.
35   Queensland Government, Submission 56, p. 8.
36   Commissioner Rick Griffiths, ATSIC, Transcript (13.08.03), p. 1125.

3.54   An example of an inter-sectoral MOU is that between the Redfern/Waterloo Partnership Project, the Aboriginal Housing Co., South Sydney City Council, the University of Sydney and the NSW Government, concerning infrastructure development in the suburbs of Waterloo and Redfern, and how those building developments can achieve social outcomes.[37]

3.55   Environment Australia is another organisation that informed the Committee of the development of an MOU. Environment Australia is developing an MOU between the Indigenous Land Corporation and the Indigenous Protected Areas Program.[38]

3.56   The Committee heard that many MOUs have been formed between Indigenous communities and governments. The Committee sees this as a positive move toward cooperative partnerships, involving good communication and clear expectations and aims. MOUs can be valuable in informing policy for service delivery.

Statements of Commitment

3.57   The Committee heard that many agencies have recently made Statements of Commitment to Indigenous people to increase accountability and to clearly articulate their aims and intentions. For example, FaCS told the Committee that:

> One of the things that FaCS did internally recently was to make a statement of commitment to Indigenous people. One of the things that our secretary is doing through the organisation is to get that statement [of] commitment to be taken on by everybody… Sitting behind that is the adoption of a set of principles regarding capacity building, community development and building social capital. [39]

3.58   Another Commonwealth department to indicate the development of a Statement of Commitment to Indigenous people was the Department of Transport and Regional Services (DOTARS).[40]

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37   Mr Michael Ramsey, Redfern/Waterloo Partnership Project, Premier's Department, NSW Government, Transcript (08.04.03), p. 675.
38   Mr Peter Cochrane, Environment Australia, Department of the Environment and Heritage, Transcript (12.02.03), p. 343.
39   Mr Barry Smith, Indigenous Policy and North Australia Office, FaCS, Transcript (25.06.03), p. 730.
40   Ms Joan Armitage, DOTARS, Transcript (15.09.03), p. 1158.

3.59   Statements of Commitment can be important as a public declaration of intent. The Committee notes a submission arguing that:

> Public sector programs often appear to fail to reach their objectives because of a combination of inadequate expertise and a lack of commitment in program delivery by responsible officials and agencies.[41]

3.60   The Committee will observe developments in this area, particularly the usefulness and effectiveness of the statements, with some interest.

Conclusions

3.61   The Committee acknowledges that a number of very positive initiatives are being taken at Commonwealth, State and Territory levels. Importantly, there is a growing appreciation that Commonwealth-State-Territory integration must improve as social disadvantage is multidimensional and solutions are not readily found in the efforts of single agencies or jurisdictions.

3.62   The Committee commends the increase in agreement making, both those agreements between governments and Indigenous communities and those between different levels of government. The Committee is eager to see results from such agreement making processes.

3.63   Although there are many positive developments, the Committee acknowledges both that developments and changes take time, and that there is still a long way to go.

Service delivery

3.64   This section of the report explores government service delivery, while issues relating to the funding of services will be covered in the next section of this chapter. The delivery of services by Indigenous community organisations will be covered in chapter four.

3.65   In addition to addressing the need to improve coordination and integration at the policy level, evidence presented to the Committee argued that current methods of government service delivery to Indigenous Australians can be inefficient and ineffective. Evidence stressed the need for an outcomes based focus, cultural responsiveness in

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41   Dr Don Fuller, Flinders University, (private capacity), Submission 48, p. 8.

both program design and delivery, and the need to build the capacity of government and agency staff.

3.66   The Committee notes the Government's response to the CGC Indigenous funding inquiry, in which it set out newly agreed upon principles for the equitable provision of services to Indigenous people, the first principle being that:

> The design and delivery of services to meet Indigenous needs should be flexible and undertaken on the basis of partnerships and shared responsibilities with Indigenous people in a culturally and locationally appropriate way.[42]

The service delivery context

3.67   As previously addressed in chapter two of the report, services are delivered by Commonwealth, State, Territory and local governments according to a combination of their constitutional responsibilities, the bounds of tied funding, and their own budget priorities. Some services are provided by Indigenous community organisations and other non-government organisations. As stated in the Commonwealth Grants Commission (CGC) inquiry into Indigenous funding:

> Australia's federal system of government blurs service delivery responsibility between governments and has complex funding arrangements. It results in citizens generally having a limited understanding of the responsibilities of the different spheres of government. It also results in some responsibility and cost shifting between governments.[43]

3.68   The CGC report went on to state that mainstream programs provided by the Commonwealth did not adequately meet the needs of Indigenous people due to barriers to access. The barriers included the way programs were designed, how they were funded and their cost to users. In remote areas, additional barriers were identified, arising out of a lack of services and the long distances necessary to access existing services.[44]

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42   *Government Response to Commonwealth Grants Commission Report on Indigenous Funding*, cited in DIMIA, Submission 42, Attachments, p. 9.

43   Commonwealth Grants Commission (CGC), 2001, *Report on Indigenous Funding 2001*, Canberra, p. 57.

44   *ibid*, p. xvii.

3.69   The Committee also notes the CGC report's findings regarding local government service provision to Indigenous communities. CGC found that in many instances the normal range of local government services was not provided to Indigenous residents in town camps and communities adjacent to non-Indigenous communities; that legalities related to land tenure affected the requirement of local bodies to provide services; and that there are commendable cases where local bodies have cooperative arrangements with ATSIC Regional Councils or Indigenous communities.[45]

3.70   The Committee heard evidence criticising current service delivery approaches, such as the Northern Territory University's Faculty of Aboriginal and Torres Strait Islander Studies and Centre for Indigenous Natural and Cultural Resource Management, which argued that:

> Until governments understand that the existing service delivery paradigm contributes to passive welfare dependency and until the delivery of mainstream citizenship type services is underpinned by a rights agenda, there will never be genuine partnerships between government agencies and Indigenous communities.[46]

3.71   The Human Rights and Equal Opportunity Commission (HREOC) emphasised the importance of Indigenous people being involved in negotiations relating to issues that directly affect them, to avoid perceptions of powerlessness and to reflect Indigenous calls for the taking of responsibility:

> Few Indigenous people can exercise any substantive jurisdictional responsibilities over matters of the most direct concern to them. They are almost totally dependent on government funding arrangements designed to deliver programs and services based on non-Indigenous models of governance. Commonwealth, state and local governments do not share any of their substantial jurisdictional responsibilities, few are prepared even to consider negotiations with Indigenous peoples.[47]

45   ibid, pp. 56-57.
46   Faculty of Aboriginal and Torres Strait Islander Studies and Centre for Indigenous Natural and Cultural Resource Management, NTU, Submission 27, p. 29.
47   CGC, *Report on Indigenous Funding 2001*, cited in, Aboriginal and Torres Strait Islander Social Justice Commissioner, Human Rights and Equal Opportunity Commission (HREOC), Submission 44, p. 4.

3.72   The DIMIA submission cited the former Deaths in Custody Royal
        Commissioner, Hal Wootten, who argued that in many Indigenous
        communities people had lost control of their lives to funding authorities,
        bureaucratic processes, experts, and alcohol, and that this loss of control
        had lead to:

> …the "paralysis that comes when one cannot see a future worth
> working for".[48]

3.73   The evidence was critical of agency practices that involved little or no
        community involvement in program design and development. It was
        argued that this contributed to program failure at the local level. The
        Pilbara Regional Council told the Committee that:

> … [S]ervice delivery is often driven by [a] process that is
> prescribed centrally and that is based on a significantly different
> set of operating parameters than is the case in the Pilbara. [49]

3.74   The Committee heard that Indigenous people are frustrated by the lack of
        consultation in program design and delivery. As an ATSIC Commissioner
        stated:

> It is not a new phenomenon to suggest that Indigenous people
> have the answers to the problems. It is just a new way of doing
> business with governments to think we could provide the
> solutions. Often, Indigenous people are regarded as people who
> are the major cause of problems but who cannot come up with the
> answers or solutions… Our people understand what the problems
> are and where the solutions lie.[50]

3.75   Murdi Paaki Regional Council argued that:

> …[C]apacity building is about shifting decision-making powers
> from centralised control out to where the people live… The starting
> point is what the people themselves determine is necessary to
> improve their livelihoods and well-being. It is about re-designing
> the rules of the game. [51]

3.76   Many submissions explored the need for local solutions and partnerships
        between government agencies and Indigenous communities, as conveyed
        earlier in this chapter. The Committee supports greater Indigenous

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48   DIMIA, Submission 42, p. 10.
49   Pilbara Regional Council, Submission 41, p. 2.
50   Commissioner Rick Griffiths, ATSIC, Transcript (13.08.04), pp. 1123-1124.
51   Murdi Paaki Regional Council, Submission 6, p. 3.

involvement in service design and delivery and is encouraged by a number of strategies which it believes are challenging current modes of service design to empower Indigenous people. As Djarindjin Aboriginal Corporation articulated:

> The other thing that may improve services to families and people in the community, is much more concentration by government and service agencies to sit down together with one community and develop a holistic plan rather than have what happens now. They walk into the community and expect answers on all kinds of issues in five minutes. It should be a much more planned thing. Once there is a plan in place, it should almost be like a memorandum of understanding between the agencies and the community that this is what is going to happen. I am talking of responsibilities on both sides. I guess John Howard calls that mutual obligation. [52]

3.77   The Committee was frequently told that there is no single solution to improve poor service delivery. For example, the Murdi Paaki Regional Council stated:

> There is, of course, no "one size fits all". Aboriginal and Torres Strait Islander societies are so diverse that flexibility is required to ensure that structures are appropriate to the special circumstances of individual communities and regions. [53]

3.78   The following section will address the need to enhance the internal capacity of government agencies to understand and work in cooperation with Indigenous communities.

Strategies to enhance service delivery

3.79   The need to build the capacity of government in order to enhance service design and delivery to Indigenous Australians created two main themes in the evidence. These were the need for an outcome based approach and the need to develop staff capacity in dealing with Indigenous issues at both policy and implementation levels. These two themes will be covered in this section.

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52   Mr Cornelis Pley, Djarindjin Aboriginal Corporation, Transcript (07.08.03), p. 1025.
53   Murdi Paaki Regional Council, Submission 6, p. 5.

Outcome based focus

3.80 A number of submissions argued that while heavy requirements are placed upon Indigenous community organisations to be compliant with and accountable to governments, there is little emphasis on reciprocal accountability measures in government-delivered services. Reconciliation Australia argued that:

> Discussion of accountability must not only focus on the accountability of Indigenous organisations to government, it must also take into account the accountability of government to Indigenous organisations, otherwise termed "downward accountability". Downward accountability involves fiscal and program accountability by State, Territory and Federal Governments to communities such that communities can hold governments accountable for failures to deliver on funding or other program commitments.[54]

3.81 A number of submissions recommended such an outcome-focused approach to program design and delivery. Benchmarks were identified as a way in which outcomes could be measured. As Reconciliation Australia explained:

> Benchmarking involves the development by government of achievable goals that are measurable in terms relevant to Aboriginal people. It is urgent that such goals be developed.[55]

3.82 The HREOC Aboriginal and Torres Strait Islander Social Justice Commissioner recommended the development of:

> The agreement of benchmarks and targeted outcomes through negotiation with Indigenous peoples and organisations, state, territory and local governments and service delivery organisations, with clear timeframes for achieving longer term and short term goals.[56]

3.83 Similarly, Environment Australia supported the development of benchmark standards in program delivery to Indigenous communities and recommended that the Commonwealth Government extend its initiatives in this area.[57]

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54 Reconciliation Australia, Submission 55, p. 24.
55 Reconciliation Australia, Submission 55, p. 24.
56 *Social Justice Report 2000*, cited in HREOC, Submission 44, p. 20.
57 Department of the Environment and Heritage, Environment Australia, Submission 37, p. 6.

Key Indicators of Indigenous Disadvantage

3.84   The Committee highlights the establishment of the Key Indicators of
        Indigenous Disadvantage developed in November 2003 by the Steering
        Committee for the Review of Government Service Provision (SCRGSP), at
        the request of COAG.[58] The Chairman of the SCRGSP stated:

> The commissioning of this Report by the Council of Australian
> Governments demonstrates a new resolve, at the highest political
> level, not only to tackle the root causes of Indigenous
> disadvantage, but also to monitor the outcomes in a systematic
> way that crosses jurisdictional and portfolio boundaries. In so
> doing, the Report also raises the transparency of governments'
> performance.
>
> This Report, therefore, is more than just another collection of data.
> It documents outcomes for Indigenous people within a framework
> that has both a vision of what should be for Indigenous people
> and a strategic focus on key areas that need to be targeted if that
> longer term vision is to be realised.[59]

3.85   The Report explains the framework as follows:

> Three priority outcomes sit at the top of this framework. They
> reflect a vision for how life should be for Indigenous people that is
> shared by governments and Indigenous people alike. The
> outcomes are linked and should not be viewed in isolation from
> each other.
>
> Sitting beneath the priority outcomes are two tiers of indicators
> [the *headline indicators*, and the *strategic areas for action*]. The goal is
> that improvements in these will, in time, make it possible to
> overcome the sources of disadvantage which currently lead the
> circumstances of many Indigenous people and communities to fall
> short of the priority outcomes.[60]

3.86   The Report states that:

> Implicit in the framework is recognition of the need to account for
> the diversity of Indigenous people and their circumstances. It is
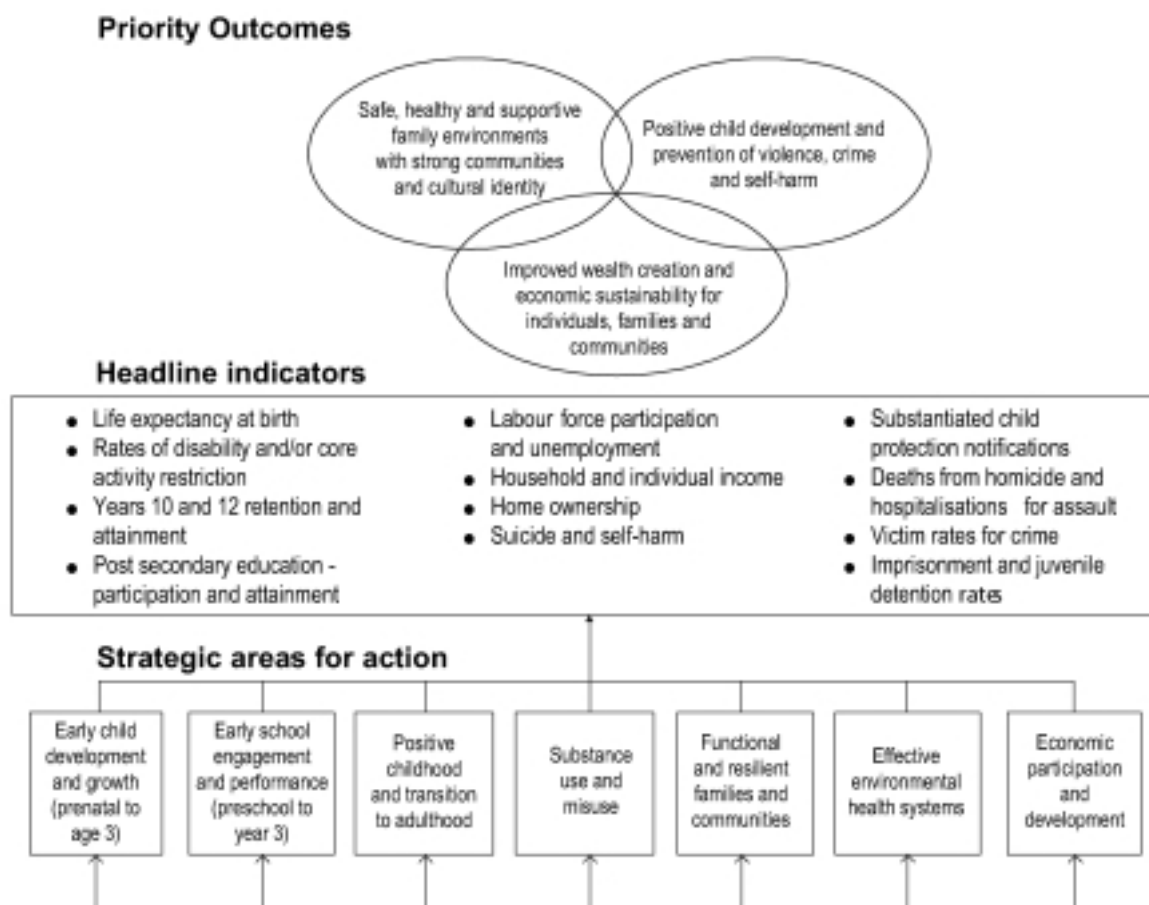> apparent that data collections will need to be improved to realise

58   Steering Committee for the Review of Government Service Provision (SCRGSP), 2003,
     Overcoming Indigenous Disadvantage: Key Indicators 2003, Productivity Commission, Canberra.

59   Mr Gary Banks, Chairman of SCRGSP, *ibid*, p. v.

60   *ibid*, pp. xxi-xxii.

this… There is also recognition that some central factors, such as culture and governance, are inherently difficult to quantify but remain important to document.[61] The following diagram shows the SCRGSP Overcoming Indigenous Disadvantage framework.

Priority Outcomes

Safe, healthy and supportive family environments with strong communities and cultural identity

Positive child development and prevention of violence, crime and self-harm

Improved wealth creation and economic sustainability for individuals, families and communities

Headline indicators

- Life expectancy at birth
- Rates of disability and/or core activity restriction
- Years 10 and 12 retention and attainment
- Post secondary education - participation and attainment

- Labour force participation and unemployment
- Household and individual income
- Home ownership
- Suicide and self-harm

- Substantiated child protection notifications
- Deaths from homicide and hospitalisations   for assault
- Victim rates for crime
- Imprisonment and juvenile detention rates

Strategic areas for action

| Early child development and growth (prenatal to age 3) | Early school engagement and performance (preschool to year 3) | Positive childhood and transition to adulthood | Substance use and misuse | Functional and resilient families and communities | Effective environmental health systems | Economic participation and development |

Source   *SCRGSP, 2003,* Overcoming Indigenous Disadvantage: Key Indicators 2003, *Productivity Commission, Canberra, pp. xxi.*

3.87   The Committee considers that the Key Indicators could form the basis of benchmarks for a range of social and economic indicators to transparently convey Australia's progress in addressing and reducing Indigenous disadvantage.

3.88   The Committee acknowledges the setting of, and reporting on, national benchmarks for education.

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61   Mr Gary Banks, Chairman of SCRGSP, *ibid*, p. v.

3.89   It is of relevance that many submissions noted the importance of collaborative goal setting, genuine community consultation and the setting of benchmarks, for increasing the quality and effectiveness of service delivery.

Recommendation 4

The Committee recommends that:

(a)   the Commonwealth Government present a national report to Parliament on Indigenous disadvantage, outlining progress against the Priority Outcomes, Headline Indicators and the Strategic Areas for Action established by the SCRGSP *Overcoming Indigenous Disadvantage* report, on an annual basis;

(b)   that a comprehensive report on these outcomes be presented every five years in accordance with the availability of census data; and

(c)   procedures be implemented to ensure that the reports presented to the House of Representatives stand referred to this Committee.

Cultural responsiveness in policy development and service delivery

3.90   The Committee received evidence arguing for the improvement of cultural responsiveness in both policy development and service delivery.

3.91   This section will address issues brought to the Committee's attention regarding the capacity of both government policy makers, and on the ground staff, in relation to policy development and service delivery.

3.92   Reconciliation Australia argued that:

> Capacity building is not a one-way process. The ability of government agencies and other major organisations to recognise the history, as well as the cultural and spiritual uniqueness of Indigenous Australians may allow them a greater awareness of the needs of Indigenous people. Such cross-cultural education is an important aspect of the reconciliation process. This is particularly

essential for organisations involved in service delivery to Indigenous people. [62]

Indigenous Affairs staffing context

3.93   The Committee received evidence regarding the importance of high level staff and policy makers spending time in Indigenous communities to gain first hand knowledge of, and exposure to, the reality of Indigenous disadvantage.[63] The Centre for Aboriginal Economic Policy Research (CAEPR) argued:

> Non-Indigenous staff members in general policy and administration jobs also need to gain understandings of the cross-cultural complexity and diversity of Indigenous circumstances in Australia today. Otherwise Indigenous issues within government agencies risk being marginalised. [64]

3.94   CAEPR acknowledged that such internal capacity building for government agencies was not an easy task. [65]

3.95   The Committee received evidence highlighting the importance of government (and other) agencies effectively utilising appropriately trained staff in order to enhance the delivery of services to Aboriginal and Torres Strait Islander Australians. This was particularly so in relation to the need to train people in cross-cultural and cross-language situations. It was put to the Committee that many people placed to work with Indigenous people did not currently have this training.[66] One submission argued:

> …it is often the least skilled and least qualified people who are filling these demanding positions…[67]

3.96   The Committee acknowledges that staff who deliver services to Indigenous communities carry important responsibilities and require specific skills to operate effectively in Indigenous settings. However, the Committee notes a private submission stating that:

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62   Reconciliation Australia, Submission 55, p. 9.
63   Dr William Sanders, CAEPR, ANU, Transcript (23.10.02), p. 26.
64   CAEPR, ANU, Submission 25, p. 2.
65   CAEPR, ANU, Submission 25, p. 2.
66   Aboriginal Resource & Development Services Inc., Submission 15, pp. 4-5.
67   Mr Andrew Biven, (private capacity), Submission 2, p. 2.

> Working in remote communities is possibly the most difficult and demanding work that a person can undertake within Australia.[68]

3.97   Local knowledge and the trust of an Indigenous community are important capacities for staff delivering services. Knowledge of the intricacies and complexities of different Indigenous communities can speed up service delivery, particularly if the employee has built up and maintained trust with community members. Knowledge of the community's language and cultural norms are invaluable for breaking down barriers and increasing the potential of outcomes and collaborative projects. The Committee acknowledges that:

> It takes time to build relationships and trust with people.[69]

3.98   The Committee was advised that there were a number of innovative approaches which had displayed flexibility and sensitivity in the provision of mainstream services to Indigenous Australians. One submission argued that the uptake of services could be enhanced by creating settings familiar and acceptable to Indigenous people:

> The Inala Health Centre [Brisbane], one of the region's mainstream GP services, has developed five culturally appropriate strategies to improve Indigenous people's access... These include employment of at least one Indigenous person in the centre, display of Indigenous pictures and artefacts, provision of cultural awareness training to non-Indigenous staff, better outreach to the Indigenous community, and better collaboration between the centre and Aboriginal community-controlled health services in the region. These strategies have been highly successful. Before the programme was developed, the centre recorded only 12 Indigenous patient contacts in one year. In the first year of operation this rose to 890 and by 2000-01 this had increased to 3,894 Indigenous patient contacts. The increased access to basic clinical services has also led to major gains in the areas of diabetes management, improved access to specialists, and immunisation of children and adults.[70]

3.99   The Committee commends the work of this healthcare provider and contends that small changes can have big impacts.

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68   Mr Andrew Biven, (private capacity), Submission 2, p. 2.
69   Centre for Appropriate Technology Inc., Submission 47, p. 24.
70   DIMIA, Submission 42, p. 16.

Retention of staff

3.100   The continuity of on the ground staff engagement is another issue:

> It is very difficult in remote areas to keep anybody for longer than two or maybe three years, particularly in government circles.[71]

3.101   This is also a problem at the departmental level, as the Fred Hollows Foundation argued:

> …[T]he government departments which are administering these Indigenous programs have a very high turnover rate. That is one of the reasons that they never make any progress, because people are constantly coming into the job and they do not know where they are. You really need to make it a bit of a career for people: invest more of their time in training so that they believe that it is more worthwhile to stick with it than to go off to DFAT or whatever else they want to do once they have spent one or two years in one of the many departments which are associated with Aboriginal affairs.[72]

3.102   The Committee acknowledges the difficulty of retaining staff.

Training of staff

3.103   Appropriate training of staff to work with Indigenous people can be problematic. The Committee received evidence highlighting the lack of career structure around Indigenous affairs. A private submission noted:

> For workers in remote communities, the challenges faced are huge – the supporting infrastructure is often tenuous so (sic) say the least, the conditions difficult[,] and recompense both financially and in terms of personal and career development marginal.[73]

3.104   The same submission also noted the lack of priority given to the provision of services to remote Indigenous communities:

> It is well recognised that the teachers in remote schools are often new graduates "cutting their teeth" in the bush, to be rewarded with a city post for serving their time in a remote community. Education, like other services, is of critical importance in remote

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71   Councillor Robert Neville, Town of Port Hedland and Bloodwood Tree Association, Transcript (05.08.03), p. 932.

72   Dr Mark Gillies, Fred Hollows Foundation, Transcript (08.04.03), p. 596.

73   Mr Andrew Biven, (private capacity), Submission 2, p. 2.

> Aboriginal communities, yet we entrust it to our least experienced teachers. The same is of often true of health services.[74]

3.105   The Committee received evidence of an induction course that was taught some years ago to prepare people for working with Indigenous communities in remote areas of the Northern Territory, but which no longer exists. A witness told the Committee:

> …I was a graduate of the Australian School of Pacific Administration… along with a lot of other officers who now work in fairly senior positions… [It] was an offshoot of the University of Sydney… based at Mosman… and it ran a multidisciplinary diploma course in Aboriginal affairs… [consisting] of about 14 units, which included law, psychology, anthropology and government. It basically prepared people for working in the Northern Territory. It was an excellent course. It was a way of getting people trained up to work in remote areas… unfortunately it ended in 1974 and, to my knowledge, has never been replicated.[75]

3.106   The Committee notes with interest that some tertiary training providers including the Charles Darwin University now offer courses along similar lines to a Diploma of Community Development. The Charles Darwin University course is offered at Darwin, is a postgraduate, one year, full time course and prepares participants for community work aimed at contributing to the development of community capacity through community consultation, public education, health promotion and advocacy. The course sets out the knowledge and skills required by community development workers operating under broad direction from senior managers. Workers at this level are seen to require an understanding of Indigenous culture and history and the ability to work with local communities in the provision of services.[76]

3.107   The Committee believes that courses such as this one may very well provide a suitable induction process for agency officials required to work in or with Indigenous communities.

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74   Mr Andrew Biven, (private capacity), Submission 2, p. 2.
75   Mr Tony Tapsell, Local Government Association of the Northern Territory, Transcript (27.11.02), p. 194.
76   Charles Darwin University, *Diploma of Community Development*, <http://www.myfuture.edu.au/services/default.asp?FunctionID=5350&CourseID=23663> (accessed 01.06.04)

Recommendation 5

The Committee recommends that the Commonwealth Government investigate the utilisation of community development courses as an induction for agency staff and others working with Indigenous communities, especially in remote areas, with the purpose of ensuring agency staff have an understanding of Indigenous communities' history and culture, and relevant policy issues and development practices.

Mentoring

3.108　The Committee heard many examples of government staff delivering services in communities undertaking mentoring and skill exchanges with local people, in areas such as basic healthcare and administrative capacity building. The Committee contends that this approach has the potential to build the capacity of Indigenous individuals, as well as creating cultural exchange for government agency employees. One example of this is the Community Nutrition Workers in Katherine (NT), who are local people trained in nutrition and health to provide education, promotion and advocacy in their communities, working in partnership with clinical healthcare workers who visit communities periodically.[77]

3.109　The Committee commends the work of the Central Australian Remote Health Development Services (CARHDS), an organisation providing professional education and training in primary healthcare to Aboriginal Health Workers, managers, councils and health boards in Central Australia, through a partnership between the Commonwealth's Office of Aboriginal and Torres Strait Islander Health and the Department of Health and Community Services.[78]

3.110　The Committee views this type of training and support network as vital to ongoing capacity building for Indigenous people in remote communities.

3.111　The Committee believes that consideration should be given to the incorporation of funding for capacity building, both for mentoring community members and organisations, into programs that are delivered to Indigenous communities. (see recommendation 7(d) at pages 107-108)

77　Katherine West Health Board Aboriginal Corporation, *Holistic Health Strategy – Community Based Healthcare Service*, <http://www.kwhb.com.au> (accessed 15.10.03).

78　Ms Dorothy Lucardie, Central Australian Remote Health Development Services, Transcript (25.09.03), p. 1259.

Placement of field officers on the ground

3.112   The Committee was told that department field officers, working within communities, would allow departments to build knowledge of the local community and develop the necessary relationships with Indigenous people to achieve better outcomes.

> We [ICCT] think there is a need for there to be people on the ground in communities—the old development type person, if you like, with those kinds of skills—who can stay there with single communities and work with families and others in those communities in an intensive way over a reasonably long period of time. [79]

3.113   The ICCT told the Committee that coordination across government agencies is strengthened through increased numbers of field officers.

> One thing we have identified is that we have put those people there basically to manage the coordination or the joined-up process with government agencies and to be the link to communities, particularly at the regional level.[80]

3.114   The Committee believes that field officers will contribute to providing the on the ground knowledge necessary to assist departments to develop and deliver services effectively, in a better targeted manner and more appropriately. The Committee notes that the Northern Territory Department of Community Development, Sport and Cultural Affairs has employed 19 community development officers to support capacity building, partnerships and regional development projects.[81]

3.115   The Committee does not simply recommend that more field officers be employed. Additional field officers need to have appropriate skills and be placed with care, perhaps as part of a location specific team. Evidence suggests it is optimal that field officers be located within Indigenous communities, rather than in larger regional centres. The Committee heard of difficulties when field officers were located in regional centres as opposed to within the community:

> The community has been left in a hole because the decisions are being made in Broome and… the communication is breaking down. Who better to see if communities are sticking to the rules

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79   Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1351.
80   Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1351.
81   Northern Territory Government, Submission 45, Attachment A.

> than the communities themselves? If you have a field officer in
> Broome who comes once a month, we can all line up and take a
> shovel and be working for that one hour there in the community.
> If it is controlled and assessed by the community, that becomes
> much harder. [82]

3.116   Discussion surrounding the use field staff working on the ground in
         Indigenous communities harks back to the discussion in chapter one
         regarding public management or community development approaches.
         The Committee contends that, as ICCT argued, there is a need for the old
         development type approach, but the Committee cautions that, as FaCS
         noted:

> …if you do not have the skills and capacity in your own
> organisation you can know all the theory but you are not going to
> get a result. [83]

Identified positions

3.117   The Committee heard evidence concerning the importance of Indigenous-
         identified positions in the Public Service.

> While people say they want them [Indigenous Australians] to
> compete in the mainstream, if there is no opportunity for them to
> get in there in identified positions they never get in there. If there
> were identified positions in … agencies, that would provide those
> people with an opportunity to get into the Public Service if they
> chose to… [84]

3.118   Alternatively, other agencies have knowledge and experience criteria that
         Indigenous specific positions must adhere to as a minimum requirement,
         which can create a natural bias towards Indigenous people on the basis of
         skills, knowledge and experience, rather than on racial grounds:

> ATSIC … has always had criterion 1 and criterion 2—that is, a
> knowledge of Indigenous issues, cultures and diversity, and the
> ability to effectively communicate—in its selection process as part
> of its recruitment strategy. [85]

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82   Mr Cornelis Pley, Djarindjin Aboriginal Corporation, Transcript (07.08.03), pp. 1025-1026.

83   Mr Barry Smith, Indigenous Policy and North Australia Office, FaCS, Transcript (25.06.03),
     pp. 729-730.

84   Commissioner Rick Griffiths, ATSIC, Transcript (13.08.03), p. 1130.

85   Ms Kerrie Nelson, Aboriginal and Torres Strait Islander Services (ATSIS), Transcript (13.08.03),
     p. 1129.

3.119   The Committee believes that there should be more identified Indigenous positions in the Public Service to ensure that more Indigenous people are employed throughout government agencies generally, and that the selection criteria for positions relating to Indigenous policy and service delivery should be biased towards a knowledge and experience of Indigenous issues.

Improving funding arrangements

3.120   The third section of this chapter on building the capacity of governments and their agencies, explores funding arrangements, particularly those relating to the way in which funding is delivered to Indigenous organisations, in order that they then deliver services to Indigenous people on governments' behalf.

The funding provision context

3.121   Current funding arrangements were seen as significant barriers to effective service delivery for Indigenous populations. Short-term funding cycles, uncertainty of on-going funding for community programs and the complexity of grant acquittals were identified as problematic.

3.122   A number of submissions articulated similar issues associated with funding. The Northern Land Council, for example, identified obstacles which both impeded and undermined the development of sustained capacity by Aboriginal land owners, their organisations and communities, three of which were:

- the 'stop-start' government approach to funding—delivered by a multitude of departments, via small separate grants that are subject to changing program packaging, inflexible conditions and timeframes; and overloaded with heavy administrative and 'upward' accountability burdens;
- the lack of government multi-year, block-funding arrangements to enable community organisations (especially governing bodies) to carry out forward-planning and deliver stable (rather than piloted) programs for the long-term development of local capacities; and
- the lack of effective coordination mechanisms between government departments and program areas and a related lack

> of downward fiscal and program accountability by…
> governments to communities.[86]

3.123   Reconciliation Australia drew the Committee's attention to the complexity of government funding:

> The Hon. John Ah Kit (2002) criticises the "overly-complex and uncoordinated nature of government funding. Any one remote community usually has to deal with numerous overlapping government departments and multiple funding schemes. This funding maze makes it almost impossible for a community to rationally plan its health services".

> Such problems suggest a critical need for stable, block funding of organisations by government before good governance in Indigenous communities can be achieved.[87]

3.124   It was brought to the Committee's attention that organisational capacity was important for ongoing development of Indigenous organisations delivering services. The Boston Consulting Group advised the Committee that there was a need to support the development of management and financial infrastructure.[88]

3.125   The Committee believes that there remains a critical need to address funding arrangements as the capacity of community and Indigenous organisations can be hindered by the short term, uncertain and often under-supported nature of funding.

3.126   The Department of the Environment and Heritage advised the Committee that practical issues around annual funding cycles were experienced by rural and remote Indigenous communities in areas with severe seasonal variation, such as the wet season in the tropical north, which impacted on their ability to apply for funding or complete funding acquittal requirements.[89] The Committee concedes that the special circumstances of such environmental factors need to be taken into account.

3.127   Evidence highlighted issues regarding the provision of services traditionally the domain of local governments, such as garbage collection,

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86   Northern Land Council, Submission 43, p. 16

87   Reconciliation Australia, Submission 55, p. 22. See also: Mr Michael Dillon, Department of Community Development, Sport and Cultural Affairs, Northern Territory Government, Transcript (27.11.02), p. 177.

88   Mr Benjamin Rimmer, Boston Consulting Group, Transcript of discussion (19.02.03), pp. 456-457.

89   Department of the Environment and Heritage, Environment Australia, Submission 37, p. 4.

commonly not provided in rural and remote Indigenous communities. The need for funding equalisation and compensation for Indigenous populations within the jurisdiction of local authorities where revenue could not be raised through rates and other payments, was raised with the Committee. The non-payment of rates was suggested as a reason that ill feeling existed between local governments and Aboriginal communities. As the Government of Western Australia argued:

> Currently many Aboriginal communities are exempt from rates as they are located on land that is not rateable or they may be exempt because they can demonstrate charitable status. Either way, the lack of financial contribution by Aboriginal localities towards services they believe they are entitled to, and the lack of this revenue by low rate-base local governments is a major impasse, a real barrier to greater local government services provision to Aboriginal communities.[90]

Cost-shifting and inter-governmental funding complexity

3.128 The Commonwealth Grants Commission inquiry into Indigenous funding found that:

> Lack of clarity on the allocation of responsibility among the spheres of government… can create opportunities for cost shifting between levels of governments and between agencies at the same level of government… [This is particularly] detrimental [when] services are not provided because one party has "vacated the field", assuming another will provide the service… [Or where] Indigenous specific services are used as a "catch-all" for deficiencies in mainstream services.[91]

3.129 For example, the Committee was told that some State governments considered Aboriginal medical services as a Commonwealth responsibility and therefore would not provide funding.[92]

3.130 The Committee heard evidence linking inter-governmental funding arrangements and the lack of accurate data to inadequate funding provision, and constraints on the ability of governments to meet Indigenous needs. The Northern Territory Government argued:

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90 Government of Western Australia, Submission 57, p. 18.

91 CGC, 2001, *Report on Indigenous Funding 2001*, Canberra, p. 57.

92 Mr Justin Mohamed, Rumbalara Aboriginal Cooperative, Transcript of discussion (17.02.03), p. 384.

> [In] relation to Indigenous housing, health and a whole range of key areas … in terms of needs-based funding and resourcing, the Territory… is missing out. This whole issue needs re-examination… It also draws out some important issues in relation to measuring need, the current inadequacies in terms of data collections and potential changes to the way in which the ABS goes about its data collections…[93]

3.131   It was argued that the current Financial Assistance Grants (FAGs) payments from the Commonwealth directly to local government (the purpose of which is to provide services equitably to all local government residents) were inadequate:

> FAGs could be a vehicle, but at the moment it is a vehicle with only three wheels. It is a little bit broken down and it needs to be modified. It could be used as a vehicle for the rates equivalent payment for Aboriginal communities, but it would certainly need some remodelling.[94]

3.132   The Commonwealth Grants Commission inquiry into Indigenous funding reached a similar conclusion.

3.133   In addition, the House of Representatives Standing Committee on Economics, Finance and Public Administration cost-shifting and local government report found an increase in cost shifting and a significant growth in the functions of local government. The report found that local governments were not adequately funded to meet these growing service provision demands.[95]

Strategies to improve funding arrangements

3.134   Despite numerous reports over the past decade highlighting the need to improve the manner in which governments allocate and deliver funds to Indigenous community organisations providing services, very little appears to have changed.

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93   Mr Neil Westbury, Office of Indigenous Policy, Department of the Chief Minister, Northern Territory, Transcript (27.11.02), p. 178.

94   Councillor Robert Neville, Town of Port Hedland and Bloodwood Tree Association, Transcript (05.08.03), p. 943.

95   House of Representatives Standing Committee on Economics, Finance and Public Administration, 2003, *Rates and Taxes: A Fair Share for Responsible Local Government*, HRSCEFPA, Canberra.

3.135   The Committee believes that the establishment of an integrated and better coordinated approach by governments and government agencies to improve the outcomes for Indigenous Australians may very well overcome many of the funding related barriers that hinder the ability of Indigenous communities and organisations to develop levels of sustainable capacity. Much can be done from the point of view of both policy direction and management structures. Such strategies include longer funding cycles, the use of direct funding approaches and untied funding, where appropriate, the pooling of funds, and the streamlining of administrative and accountability arrangements. The following sections will address these issues.

Longer funding cycles

3.136   The Committee agrees that longer funding cycles, coupled with an outcome-oriented focus, will help address some issues relating to the delivery of funding. The Committee was of the view that organisations should have the capacity to hold funds over financial years, without penalty, rather than being required to dispose of allocated funds within a financial year. It is of concern to the Committee that this is currently the practice.

3.137   In its submission, the Queensland Department of Housing drew the Committee's attention to its Five Year Capital Works Plan for the 34 discrete Aboriginal and Torres Strait Islander communities in Queensland, and the 2001-2002 approval of three year funding agreements for Indigenous councils for capital grants funding.[96] The Government viewed the three year agreements as improving the ability of individual councils to plan for the provision of housing, infrastructure and employment needs of communities. The initiative was seen as increasing flexibility in the direction of funding by councils; providing for the continuity of employment by trade staff and the recruitment of new apprentices; and improving the sustainability of communities as a whole through the development of effective housing systems and continued input into the rolling plan. [97]

3.138   The South Australian Department of Community Services, in addressing future directions, called for the funding cycle for non-government organisations to be increased from 12 months to at least three years to provide stability in the operations of Indigenous non-government

96   Queensland Government, Department of Housing, Submission 53, pp. 7-8.
97   Queensland Government, Department of Housing, Submission 53, pp. 7-8.

organisations and to foster longer term strategic planning by the organisations.[98]

Direct funding to community organisations

3.139   When queried as to the best way for funding to be delivered to Indigenous communities, through the national body ATSIC, through a regional body, or directly, Tangentyere Council responded:

> … one of the reasons Tangentyere was set up was because Aboriginal people were not accessing mainstream services. So we set up this alternative model which was to assist people in service delivery. If they go down the track of mainstreaming Indigenous services, my plea would be for direct funding. In fact, it is what I would like to see now and it is what I have talked about earlier in my submission—direct funding into the organisation directly from the Commonwealth. [99]

Pooled funding

3.140   The Committee heard that the highly prescriptive, tied nature of funding to support Indigenous service provision disallowed individual communities and organisations to develop programs tailored to local requirements. Mr Tony Lotton argued that:

> There is also a need to review the process by which funding organisations develop their program guidelines. Most of the time they do not fit in with what the organisation really needs. Individual communities and organisations require a consultative process to develop program guidelines that are in line with specific areas requiring assistance. This will ensure that funding agencies and the organisations achieve the intended outcome for all of those involved and also achieve value for money.[100]

3.141   Additionally, other evidence provided to the Committee argued that the highly compartmentalised nature of Commonwealth and State funding minimised the leverage that funding could have if combined. It was

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98   Aboriginal Services Division, Department of Human Services, South Australian Government, Submission 49, p. 35.

99   Mr William Tilmouth, Tangentyere Council, Transcript (25.09.03) p. 1295.

100 Mr Tony Lotton, Lake Tyers Aboriginal Trust and Bungyarnda Community Development Employment Projects Co-op Ltd, Transcript of discussion (19.02.03), p. 477.

argued that pooled funding was a means of addressing these inhibitors to effective service delivery.[101]

3.142   A number of submissions referred to the Katherine West Health Board (KWHB) as demonstrating an innovative approach towards funding. The KWHB was established in 1996, under the Commonwealth, State and Territory Governments' Coordinated Care Trial. Thirteen sites across Australia tested whether coordinated health care could result in improved client health and well-being. Four of these sites were focused on Indigenous populations. A significant element of this approach in the two sites in the Northern Territory was that the funds that would normally have been allocated by the Northern Territory Government for the provision of health services in the regions were pooled and provided to the health board, which then allocated these funds according to its own priorities.[102] The Northern Territory Government told the Committee that:

> The basic proposition underpinning the KWCCT [Katherine West Coordinated Care Trial]… was that community control (in the form of health boards), with fund pooling and the MBS/PBS cashouts, together with care coordination, can lead to improved health services and indirectly to improved health outcomes.[103]

3.143   The Indigenous Housing Authority of the Northern Territory (IHANT) provides another example of effective sharing of resources and decision making by governments and Indigenous representatives. IHANT was established following the negotiation of a bilateral agreement in June 1995—the first achieved in the country. The Committee was told that IHANT had and continues to have, responsibility for the allocation of pooled housing and infrastructure funds from the Commonwealth and Northern Territory Governments.[104]

3.144   The difficulties in achieving inter-agency cooperation at the community and regional level with regard to funding were highlighted by FaCS, and included developing funding agreements that reflected a partnering relationship, streamlining funding agreements so that several funding agencies could use a single agreement with a community organisation,

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101   Mr John McDonald, (private capacity), Submission 24, p. 4.
102   Northern Territory Government, Submission 45, p. 13.
103   Northern Territory Government, Submission 45, p. 15.
104   Northern Territory Government, Submission 45, p. 17.

and developing ways of sharing developmental field staff in order to pool program and personnel resources.[105]

Streamlining administrative and accountability requirements

3.145   Each government department has different reporting requirements in relation to funding acquittals, which means that Indigenous community organisations have to manage a diverse range of accounting requirements. This absorbs a large amount of their capacity. The Committee heard that it would assist community organisations if government departments standardised reporting requirements, the managing of contracts and reporting dates.

3.146   Indigenous community based services are funded through a variety of sources including Commonwealth, State and Territory governments. These multiple sources of funding have different administrative and accountability requirements which place a heavy burden on many community organisations. The Fred Hollows Foundation cited a CAEPR Research Paper arguing that:

> 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.[106]

3.147   The Committee heard from a number of Indigenous community organisations which emphasised the complexity of financial accountability due to multiple funding sources. In Victoria, Rumbalara Aboriginal Cooperative was required to complete 28 acquittals for one State government department.[107] The complex and, at times, absurd

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105   FaCS, Submission 46, p. 36.

106   Westbury, N. & Sanders, W., *Governance and service delivery for remote Aboriginal communities in the Northern Territory: challenges and opportunities*, CAEPR Working paper No 6/2000, cited in The Fred Hollows Foundation, Submission 36, p. 10.

107   Mr Justin Mohamed, Rumbalara Aboriginal Cooperative, Transcript of discussion (17.02.03), p. 391.

requirements of funding acquittals were frequently conveyed to the Committee, for example:

> Our organisation [NPY Women's Council] 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.[108]

3.148   Mr Sean Gordon, General Manager of Yamuloong Association Incorporated, advised the Committee that:

> It is quite difficult at the moment in that I am working with about five or six different funding organisations… the reporting requirements… [necessitate] reports on seven different funding applications, seven different acquittals and seven different audits, make it very hard. Leah [Armstrong, General Manager of Yarnteen Aboriginal and Torres Strait Islanders Corporation] was talking about encouraging entrepreneurial leadership. It is quite difficult if your leaders are continually doing submissions, reports and so on, rather than looking at the big picture stuff.[109]

3.149   The complexity of funders' requirements puts added stress on Indigenous-controlled organisations. The South Australian Department of Human Services noted that small and remote Aboriginal organisations often have a small pool (if any) of trained Aboriginal workers to draw from, and that this excludes Aboriginal community based organisations from submission based funding programs.[110]

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108 Maggie Kavanagh, Coordinator of NPY Women's Council, cited in The Fred Hollows Foundation, Submission 36, p. 12.

109 Mr Sean Gordon, Yamuloong Association Inc., Transcript (07.04.03), p. 555.

110 Aboriginal Services Division, Department of Human Services, South Australia, Submission 49, p. 34.

3.150   The Committee notes that there is a critical need to examine the current
         accountability and acquittal processes required by funders. Additionally,
         the Committee was concerned to hear about the amount of resources
         intended to deliver services that are absorbed by the employment of
         consultants and other requirements. For example, in relation to the
         allocation of funds to communities to each prepare an alcohol
         management plan, the Cape York Health Council advised the Committee:

> Of that $30,000, $15,000 goes to a consultant who does a report—it
> may be a five- or six-page report—telling us what we already
> know; $10,000 out of that pays for a hired vehicle. So that is
> $25,000 out of the $30,000 already. The other $5,000 would be for
> meeting costs. What is it delivering really? Nothing.[111]

3.151   Large distances compound administrative costs involved in service
         provision to support some rural and many remote Indigenous
         communities. Kimberley Community Management Services advised the
         Committee that:

> Every time someone comes from Perth to the Kimberley, the air
> fare is in excess of $1,000 for a start, so half of whatever grant you
> get to support an organisation is eaten up in air fares—and then
> travel allowance and all the rest of it.[112]

Funding to incorporated Indigenous organisations

3.152   Indigenous organisations have come to play a significant role in
         government service delivery. However, the proliferation of incorporated
         Indigenous organisations was seen as problematic in Indigenous
         communities with small populations. Under the *Aboriginal Councils and
         Association Act 1976* (Cth) approximately 2 800 Indigenous groups and
         communities have incorporated. The Committee heard evidence from the
         Office of the Registrar of Aboriginal Corporations indicating that
         incorporation fulfils the legal requirements of funding or lending
         bodies.[113]

3.153   The audit requirements of incorporation place a burden on Indigenous
         community organisations, particularly those in remote areas, where
         community members are less likely to have appropriate levels of literacy

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111 Mr Richie Ahmat, Cape York Land Council, Transcript (07.07.03), p. 786.
112 Ms Jan Lewis, Kimberley Community Management Services, Transcript (05.08.03), p. 929.
113 Mr Garry Fisk, Office of the Registrar of Aboriginal Corporations (ORAC), Transcript
     (16.10.02), p. 2. See chapter four.

or a sophisticated understanding of Western style laws in regard to accountability for the management of services. The Kimberley Community Management Services told the Committee that:

> Consider the requirements in terms of delivering services and the way that services are funded. I visited one particular community that has 12 incorporated bodies in it. It has 300 people in the community and it needs to run 12 committees—for education, the health service, the housing service, the CDEP and for the out-stations. Each of those requires an annual general meeting, each of those requires a committee, each of those requires an audit. There is no coordinator funded to run all of those services so it generally falls to the CDEP coordinator, who tends to pick up all of those kinds of responsibilities.
>
> It was a problem that funding agencies would only fund a community if they could see an incorporated body that had that as its role, rather than funding a community to deliver the services.[114]

3.154   The incorporation requirements for annual audits are difficult in remote regions where there are a limited number of auditors, and community organisations potentially wait 12-18 months before an audit is undertaken. Additionally, auditors tend to fly in and out of communities, which escalates audit costs for organisations.[115]

Tendering procedures

3.155   The Committee also heard evidence suggesting that the current practice to tender out service delivery increases the work load of Indigenous community organisations, to the point that these organisations, which are often best placed to deliver the service, can no longer compete.

> It is a horrendous task to write a tender…You need to set aside a week of your time—turn the phone off, say to your staff, "Sorry, your manager is not available now; I am shutting the door because we've got to do this tender".[116]

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114   Mr Mike Newbigin, Community Housing Coalition of WA, Transcript (05.08.03), p. 917.

115   Mr Mike Newbigin, Community Housing Coalition of WA, Transcript (05.08.03), pp. 917-918.

116   Councillor Robert Neville, Town of Port Hedland and Bloodwood Tree Association, Transcript (05.08.03), p. 940.

3.156   It was suggested that in remote and regional areas, government agencies should directly negotiate with local service providers to deliver services, rather than going to tender.[117]

3.157   The Committee was told of a situation where the Department of Employment and Workplace Relations (DEWR) invited tenders to deliver the Job Network in the Pilbara region, Western Australia. Despite the fact that a local community service was already providing a similar program, funded by another Department, the organisation was expected to compete in a national tendering process.

> I told DEWR that we are funded by the Department of Education and Training to deliver employability services to people—in particular Aboriginal people; we are an Aboriginal agency—and we have all this funding to do this, and then you come along saying you have more funding to do the same out there. To me it would make sense…to come and install it with us and we will just carry on and go and do what we are doing with the town based people out in the communities. But they have gone out to tender. I am not interested in going out and writing out a 48-page tender document, nor is anybody else.[118]

3.158   The awarding of contracts to outside organisations was also seen as having a negative impact on local communities at a number of levels. For example, local employment was seen to be restricted, often in locations with limited employment markets, and community social cohesion was seen to be undermined as 'fly in, fly out' service providers delivered the minimum services in order to maximise profits. The Committee was advised that national competition policy resulted in a false economy of savings in remote and regional centres.

> The tendering out of services does not work well in remote areas… we have been talking quite a bit about social capital, as they call it. One of the instances they gave us was the local government tendering out Meals on Wheels. They were supplying the same food for a greatly decreased cost to the ratepayer; however, they found that the health of the aged persons was going down. The reason for that health decline was that, when they were delivering the food, they were not talking to the people about how the

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117 Mr William Tilmouth, Tangentyere Council, Transcript (25.09.03) p. 1295
118 Councillor Robert Neville, Town of Port Hedland and Bloodwood Tree Association, Transcript (05.08.03), pp. 940-941.

> grandson or the family was and about the pictures on the wall et cetera. That is all about tendering out services—where you will get somebody going in there and doing, say, the victim support service. Somebody from Perth could actually get that service and they could fly in and fly out and deliver that service into town at a lower price than somebody living in town, because of the cost factor within those remote areas.[119]

3.159 The Committee's attention was drawn to a similar issue where a contract had been awarded to an outside organisation over a local Indigenous organisation:

> At Cape York last year, they asked for tenders to build an information centre in Laura. Two organisations, with assistance from ATSIC, brought traditional owners together to endorse the building of an information centre at Coen. An Indigenous organisation put in a tender to build the complex. They had a rapport with the people. In their tendering process they talked about employing local traditional owners. They did not even get a look in. It was given to a group of companies outside of Coen and Cape York. They know nothing about Cape York, yet they won the tender because they know somebody in Q-Build.[120]

3.160 The Committee was advised that the use of local labour was more cost effective, which meant that more infrastructure could be provided for the available funds. In a remote community in Western Australia, local labour was used to build seven houses for the amount a contractor would have charged to build four.[121] In a later round of funding the Lombadina Aboriginal Corporation used funds provided to build one house, to build two.[122]

3.161 The Committee has therefore agreed that it recommend that the Government take steps to ensure that in tendering arrangements, appropriate consideration be given to the utilisation of providers from within the communities and that commitments to capacity building and a local knowledge component be a condition of tenders (see recommendation 9 at page 109).

119 Councillor Robert Neville, Town of Port Hedland and Bloodwood Tree Association, Transcript (05.08.03), p. 932.

120 Mr Richie Ahmat, Cape York Land Council, Transcript (07.07.03), p. 801.

121 Mr Basil Sibosado, Lombadina Aboriginal Corporation, Transcript (07.08.03), p. 1011.

122 Mrs Caroline Sibosado, Lombadina Aboriginal Corporation, Transcript (07.08.03), pp. 1011-1012.

Indigenous-government partnerships

Introduction

3.162   The fourth section of this chapter on building the capacity of government agencies explores Indigenous-government partnerships. Other partnerships, such as those involving the private sector, are covered in the following chapter focused on Indigenous organisations.

3.163   The Committee agrees with evidence received from sectors of government, the Indigenous community and non-government organisations, which saw the future of Indigenous-government relations lying in partnerships.

3.164   Partnership is a term that can be used loosely to describe any relationship between two or more parties. The Committee believes it is important to avoid this ambiguity and that:

> A partnership is not the same as a purchaser/provider relationship…a philanthropic/beneficiary relationship … [or] a funder/grantee relationship.

> The key elements that distinguish a "partnership" relationship from other kinds of relationships include:
> - shared goals;
> - shared risk;
> - shared power;
> - shared work and contributions; and
> - that all parties benefit.[123]

3.165   Implicit in the argument for a partnership approach between governments and Indigenous communities, is that neither party has sole responsibility; that governments and communities have different skills, knowledge and focus; and that governments and Indigenous communities work together using their strengths and contributions in a complementary manner. Of the partnership approach in Cape York, the Queensland Government stated:

> … Government must take responsibility for those things that it is best placed to do and the people of Cape York must take responsibility for those things that they can only do themselves.

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123 FaCS, Submission 46, p. 37.

> The people of Cape York cannot be expected to solve their problems without the support of Government, and Government is not capable of improving life in Cape York without the commitment of the community.[124]

3.166 Partnerships are being formed between Commonwealth, State, Territory and local governments, Indigenous organisations, Indigenous communities, Indigenous families and the private sector. The Committee sees the potential for complementarity and strong cooperation for partnerships between different groups to set out frameworks for working together toward agreed outcomes to enhance the capacity of Indigenous communities and individuals and to reduce Indigenous disadvantage.

Barriers to effective partnerships

3.167 The capacity of agency staff is particularly important for the establishment and maintenance of partnerships with Indigenous communities. The process of partnership building is complex and, in many cases, reliant on personal interaction between agency staff and Indigenous community representatives. Relationships can be critical to the success or failure of partnerships.[125] The Torres Strait Regional Authority argued that:

> …[A] lot of the framework agreements and partnerships—in fact all of them that we operate under—really rely simply on goodwill.[126]

Goodwill in turn is based on openness and mutual respect.

3.168 Operational cultural differences can be a source of contention, particularly the perceived impersonal approach of bureaucracies versus the personal reciprocity of Indigenous interaction:

> …[T]he typical lack of staff continuity in Government agencies due to short duration of placements… mitigates against the development of personal relationships which are typically of paramount importance to Aboriginal people. Trust must be earned through personal contact rather than being assumed by the position held within an agency.[127]

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124 Queensland Government, Submission 56, p. 7.
125 Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1348.
126 Mr Michael Fordham, Torres Strait Regional Authority (TSRA), Transcript (05.11.02), p. 57.
127 Pilbara Regional Council, Submission 41, p. 2.

3.169   FaCS noted that:

> The capacity of government officers to successfully partner with
> and engage with Indigenous communities will directly correlate
> with their level of communication and facilitation skills,
> understanding of cultural differences and particular local issues,
> ability to afford the time and travel when it best suits
> communities, capacity to respond appropriately and in timely
> ways, and continuity of officer's engagement.[128]

3.170   The need to strengthen the capacity of Indigenous people and
        organisations to enable them to participate effectively in partnerships was
        also made clear to the Committee. The ICCT working on the COAG Trial
        saw this as critical.[129]

Partnerships between communities and government

3.171   The Northern Territory Government is involved in a three-way
        partnership with the Commonwealth Government and an Indigenous
        community. Their Partnership Agreement forms a statement of agreed
        protocol for the achievement of agreed outcomes. Their partnership has
        four components:

  - joint identification of issues;

  - negotiation of agreed objectives;

  - joint action; and

  - joint accountability for outcomes.[130]

3.172   It is envisaged that this model, building on the approach to be trialled at
        Wadeye (with the Commonwealth and Thamurrurr), will form a model to
        be extended to the Wangka Willurrarra (West MacDonnells) and
        Nyirranggulung-Mudrulk-Gadberre (Katherine East) and have at its core
        the establishment of effective governance arrangements and pooled
        funding.[131]

> The Partnership Agreement itself is simply a negotiated protocol
> or process for the achievement of agreed outcomes. The

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128 FaCS, Submission 46, p. 8.
129 Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1348.
130 Northern Territory Government, Submission 45, p. 33.
131 Northern Territory Government, Submission 45, p. 33.

> Agreement would be supported by consensus on action to be taken in respect of key issues. These actions could, in turn, be developed from community or regional development plans. The arrangement is predicated on meeting a number of basic principles.[132]

3.173 Though there are many possibilities for different partnership approaches and processes, and partnerships will evolve depending on arising needs and purposes, the Committee sees the Northern Territory Government's approach of identifying issues, outcomes and strategies, with stated accountability, as providing a model consistent with other partnership approaches involving governments and communities.

3.174 Cape York Partnerships (CYP) in Queensland (a collection of organisations controlled by Cape York people, servicing the needs of Cape York people)[133] has created a partnership with the Queensland Government, as well as private and philanthropic organisations, the Commonwealth (via COAG) and ATSIC.

> Cape York Partnerships is about changing the way Government and communities work together.[134]

3.175 The Committee recognises that the CYP have provided a vehicle for government to engage with the communities of Cape York, while also providing a forum and a focus for government to work together more collaboratively. This type of approach could be undertaken elsewhere.

Partnerships between families and government

3.176 Many submissions highlighted the importance of working with family groups, rather than 'communities', particularly in communities with factions. FaCS recognised that when it had given authority and support to a single family group in a community, the process left other family groups out.[135]

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132 Northern Territory Government, Submission 45, p. 34.

133 Cape York Partnerships consists of: Cape York Land Council Aboriginal Corporation, Apunipima Cape York Health Council, Balkanu Cape York Development Corporation Pty Ltd, and Cape York Corporation Pty Ltd as Trustee for the Cape York Aboriginal Charitable Trust, <http://www.capeyorkpartnerships.com/project/beg/index.htm> (accessed 10.12.03).

134 *An Open Letter from Peter Beattie To the Indigenous Peoples of Cape York, Cape York Partnerships: Some Practical Ideas*, Queensland Government, Department of Premier and Cabinet, <http://www.capeyorkpartnerships.com/media/documents/cyp-gov-book.pdf> (accessed 10.12.03).

135 Ms Fiona Dempster, FaCS, Transcript (25.06.03), p. 725.

3.177   DIMIA supports the argument for shifting the Indigenous policy emphasis towards individuals and families specifically, rather than viewing all Indigenous need through the rubric of 'community', acknowledging that functional individuals and families are the foundation of communities.[136]

3.178   The agreement between the Northern Territory Government, the Commonwealth and the Indigenous community at Wadeye, saw the participation of family groups rather than kinship or landowning groups.

> … when we went out there to do the Wadeye agreement…we actually had a problem on the day. The problem was that we thought we were actually going to sign it with these 20 family kinship groups and land-owning groups. On the morning of the event, they said, "No, we want every family that is represented in this area to be a signatory to this because we will each take responsibility for our family". We had 72 people who came forward to represent each of the 72 families and to sign that document… That was a very powerful thing because it was making a statement to us that they saw the families as theirs and that they were taking responsibility for the agreement. It is those families that we are working with; we are not working with a single family or a single entity.[137]

Partnerships within and between governments

3.179   As pointed out earlier in the report, a central theme throughout the evidence has been the problems caused to effective service delivery through the lack of government integration. It is salutary to remember this:

> Not only do Governments need partnerships with Aboriginal and Torres Strait Islander people…but the different levels of Government also need similar partnerships arrangements with each other if they are going to be most effective.[138]

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136   The Hon. Phillip Ruddock, speech to the ATSIC National Policy Conference (2002), cited in DIMIA, Submission 42, p. 24.

137   Mr Barry Smith, FaCS, Transcript (25.06.03), p. 726.

138   Queensland Government, Submission 56, p. 12.

Capacity building for partnerships

3.180   Partnerships require long-term commitments and focus, with negotiated, realistic outcomes. The Committee acknowledges that Indigenous issues are complex and entrenched, and addressing Indigenous disadvantage will require time, dedication and commitment from all levels, over time. Partnerships have to endure through time and transcend barriers created by funding and election cycles.

3.181   COAG's Indigenous Communities Coordination Taskforce (ICCT) recognised that before Indigenous communities could assume responsibility for managing their own affairs and engage in effective partnerships, some empowerment and skill development may need to take place through capacity building.[139] In evidence, the ICCT stated that one of its key insights involved understanding the importance of governments and communities developing effective and productive working relationships, which ICCT saw as the foundation to developing sustainable solutions. ICCT saw relationships as absolutely critical. Implicit in this was the need for governments to support initiatives that helped to strengthen the capacity of people in the communities they were working with, so that the communities were more able to deal with the ICCT as equal partners:

> …enabling Indigenous people to take responsibility with governments for making things work; not, as many people in the communities are saying to us, government doing it for them or to them.[140]

3.182   In considering, evidence it is clear to the Committee that the development of the capacities of government staff, in particular their communication and facilitation skills, and their understanding of cultural differences and local issues, are critical to the building of successful partnerships.

Conclusion

3.183   Clearly, a critical key to achieving better outcomes for Indigenous Australians is the development of effective partnerships.

3.184   Partnerships are vehicles for groups to collaborate and work toward shared, negotiated goals. They have the potential to create genuine,

139   ICCT, Submission 40, p. 6.
140   Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1348.

effective relationships between government and Indigenous communities and to increase the quality of life for Indigenous people. Partnerships are valuable as a forum for greater government cooperation and more effective service delivery.

Conclusions on government capacity building

3.185 In this chapter the Committee has proposed a range of measures directed at government agencies, the aim of which is to improve individual and community outcomes for Indigenous people. Much of what the Committee proposes is aimed at improving integration, coordination and cooperation within and between the levels of government in Australia. The Committee has called upon the Commonwealth Government to make a strong commitment to implementing a whole of government approach to service delivery to Indigenous communities, including enhancing communication, developing partnerships with Indigenous communities, and incorporating capacity building in designing and implementing service delivery programs. The Committee also makes other recommendations aimed at improving the capacity of government agencies.

3.186 In making these recommendations, the Committee is mindful, however, of the salutary comments made by one of the participants at the Committee's Roundtable in February 2004, concerning both the importance of enterprise and the role of government in breaking the cycle of passive welfare dependency and improving outcomes. The Reverend Nic Frances focussed his comments on the role of enterprise in building capacity, stressing, in particular:

- the importance of enterprise in creating wealth and jobs, and the need for government to step aside;

- the reality that building capacity through enterprise will always be inequitable and our commitment to equality can be an impediment; and

- the complexity of policy in Australia, where different tiers of government and strong demarked departmental lines make it difficult to get projects off the ground.

3.187 In focussing on the importance of enterprise, the Reverend Frances stated:

> The reason for enterprise is that you drive jobs. If you drive jobs, you create wealth. With that comes some choices that you rarely get through things like passive welfare…[141]

3.188   However, it was the structure of governance and the complexity of policy in Australia which were seen as being particularly inhibiting to progress.

> My experience of seeing joined up government… [in Australia] is that everybody wants their slice of action, no-one wants to let go of it and they all want to stay at the table… so nobody gives away their pot of the money and gets out of the way so something can happen.[142]

> …I find the policy is so complex here because we are dealing with local government, state government and federal government. Because there are such demarked, strong departmental lines between you, it is almost impossible to get something off the ground if you are working with government.[143]

3.189   The Committee therefore is mindful that, whilst governments have obligations to all citizens in areas such as health and education, there is a time for governments to stand back and get out of the way. There are things that governments are good at and things they are not good at, and there is a particular need for flexibility in encouraging enterprise in Indigenous communities.

3.190   In stressing the need for flexibility in understanding the role of government and addressing the need for governments to be careful and stand back where appropriate, the Reverend Frances concluded:

> So it is not that there should not be government and we should not have really strong policy and aspirations for people to achieve… I am not saying no government. I am saying strong government but in a way that has soft hands that can pass it to local communities to be acted upon.[144]

3.191   As the Executive Director of the ICCT advised the Committee:

> It is necessary for bureaucrats to focus not only on joining up services as a priority but also on generating innovative and flexible solutions that enable communities to be in the driving seat. It is

141 Reverend Nicolas Frances, (private capacity), Transcript (13.02.04), p. 1455.
142 Reverend Nicolas Frances, (private capacity), Transcript (13.02.04), p. 1455.
143 Reverend Nicolas Frances, (private capacity), Transcript (13.02.04), p. 1456.
144 Reverend Nicolas Frances, (private capacity), Transcript (13.02.04), p. 1480.

> unhelpful to focus on process rather than outcomes simply because this is easier, more comfortable and familiar. As Noel Pearson commented recently "What is the point of all joining up if what we are joining up is a top-down passive approach?" Here he is talking not only about welfare payments to individuals that create passivity but also more broadly about the way governments interact with Indigenous communities. So he is also talking about how we deliver programs.[145]

3.192　The Committee believes that, although improving the delivery of services is important, the long-term goal is to reduce the need for services by addressing Indigenous disadvantage, while a shorter-term goal is to build the capacity of Indigenous people to provide their own services to Indigenous people.

Recommendation 6

The Committee recommends that the Commonwealth Government, through COAG, convene a roundtable between Commonwealth, State and Territory government representatives, together with members of local government and Indigenous representatives, to clarify program and service delivery roles, responsibilities and issues of cost shifting.

Recommendation 7

The Committee recommends that, in relation to the provision of services to Aboriginal and Torres Strait Islander communities, the Commonwealth Government ensure a whole of government approach, together with the States and Territories and local government, in consultation with Indigenous Australians, including:

(a)　a shift in emphasis in service provision to a regional or location specific basis (in full consultation with the Indigenous communities involved);

(b)　the co-location of relevant Commonwealth Government and other agency staff;

145　Ms Dianne Hawgood, ICCT, Transcript (13.10.03), p. 1349.

(c)   enhancing communication and developing partnerships both with Indigenous communities and families, and between governments;

(d)   the incorporation of capacity building into the design and implementation of programs delivering services to Indigenous communities, including funds to enable mentoring of community members and organisations;

(e)   the further development of program benchmarks in terms relevant to Indigenous people, and the adoption of regular public reporting regimes on those benchmarks, including reporting to the relevant Indigenous communities;

(f)   the creation of frameworks for service delivery that are familiar and acceptable to Indigenous people;

(g)   the enhancement of the skills and capacity of agency staff (including cross-cultural and language training, and the placement of high level staff and policy makers 'on the ground' in Indigenous communities) and the placement of appropriately skilled field officers 'on the ground', and reducing the turnover rate of such staff;

(h)   a commitment to the creation of Indigenous specific positions in agency structures; and

that it report on progress to the Commonwealth Parliament on a regular basis (possibly in conjunction with the proposed report on Indigenous disadvantage) and procedures be implemented to ensure that the report presented to the House of Representatives stands referred to this Committee for its consideration.

Recommendation 8

The Committee recommends that, as part of a better coordinated and integrated approach to the delivery of services to Indigenous communities, the Commonwealth Government investigate the development of pooled funding models whereby grants and entitlements that are formula funded can be combined into a single budget with a single reporting regime.

Recommendation 9

The Committee recommends, in relation to contracts to provide services to Indigenous communities, the Commonwealth Government ensure that:

(a) appropriate consideration be given to the utilisation of providers from within the community (and should such a course eventuate, the fact be noted in the public reporting process); and

(b) in seeking tenders to deliver services:

(i) the provision of capacity building to local people is a component of the tender; and

(ii) local knowledge is a condition of the awarding of the tender.