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# 9 Human services in remote Indigenous communities

## Key points

- Human services should be making a greater contribution to improving the wellbeing of Indigenous people living in remote communities.
  - Despite goodwill and significant resources, current approaches to commissioning human services in remote Indigenous communities are not delivering the benefits of contestability and are exacerbating its potential weaknesses.
  - Policy instability has created uncertainty and confusion for communities and service providers, and has undermined the effectiveness of service provision.
- Service provision in remote Indigenous communities faces challenges including isolation, time-consuming (and often costly) travel, and difficulty recruiting and retaining staff with the necessary skills and capabilities. There are often limited economic opportunities and, in some communities, the provision of government services is the main economic activity.
- The following changes to commissioning arrangements would promote longer-term stability for service users and providers, and increase community involvement:
  - improvements to commissioning processes (contract lengths, tender timing and alignment and provider selection processes)
  - a greater focus on skills transfer and capacity building
  - improvements to planning, evaluation and feedback systems.
- The Commission has also considered a longer-term transition to a ‘place-based’ model of service provision. Consultations with inquiry participants confirmed that there is merit to place-based approaches, but that a large-scale systematic rollout of place-based approaches across remote Indigenous communities is not feasible.
  - Government and community capacity for place-based reforms does not exist everywhere and would take time and effort to build. Expanding too far, too fast is a significant risk.
- Governments should be willing to adopt more place-based approaches on a case-by-case basis where communities can demonstrate they are ready and government capacity exists (or can be readily built).
- Governments should shift the balance away from centralised decision making in government toward greater regional capacity and authority to improve responsiveness to local needs.

There is considerable scope to improve the effectiveness of human service provision in remote Indigenous communities through practical reforms. The Commission is recommending commissioning improvements that can be made in the shorter term as well as longer-term changes to improve the responsiveness of services to local needs (table 9.1).

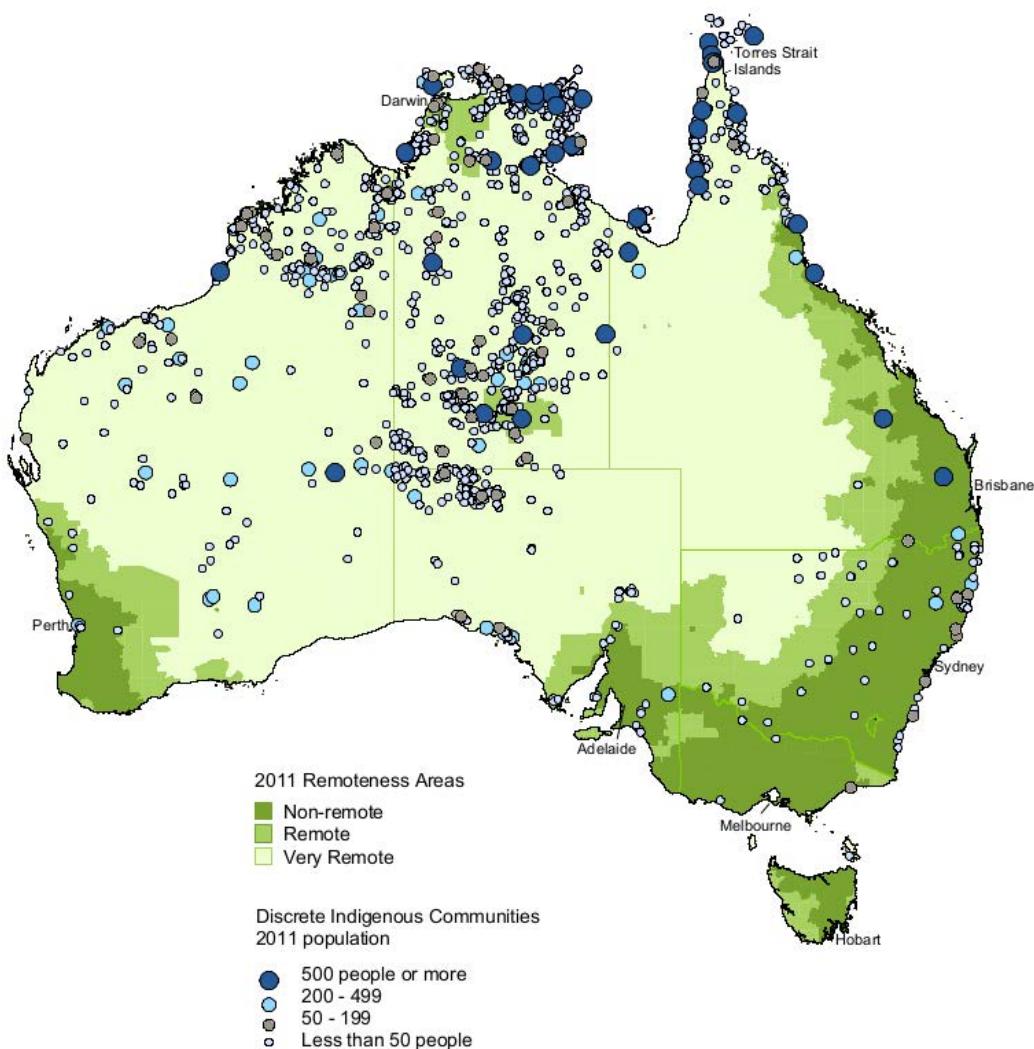
**Table 9.1 Overview of proposed reforms to human services in remote Indigenous communities**

All reforms are directed at the Australian, State and Northern Territory Governments

<i>Proposed reforms</i>	<i>Timeframe</i>	<i>Potential costs and benefits</i>
<b><i>Improved commissioning arrangements</i></b>		
<b>Recommendation 9.1</b> Increase default contract lengths to ten years. (Exceptions could be made, such as for program trials but justification should be published.) Ensure contracts contain adequate safeguards in any cases of failure by providers.	As existing contracts expire and new contracts commence.	Could increase consequences of selecting the wrong providers; less flexibility for government to change funding priorities. Facilitate greater investment by providers in service quality, increased time to invest in relationships and build trust. Lower administrative costs.
<b>Recommendation 9.2</b> Publish rolling schedules of upcoming tenders. Allow sufficient time for providers to prepare considered responses, including the development of integrated bids across related services. Align tender processes for related services.	Aligning tender processes should be rolled out gradually, commencing with a small number of communities. The remaining reforms should be implemented as soon as practicable.	Create opportunities for communities and governments to identify a mix of providers that is likely to achieve the best outcomes for the community.
<b>Recommendation 9.3</b> Ensure commissioning processes incorporate skills transfer and capacity building for people and organisations in communities.	As soon as practicable.	Potentially higher cost of service provision in the short term. Community development; reduced travel costs.
<b>Recommendation 9.4</b> Take into account the attributes of providers that contribute to achieving outcomes for people living in remote Indigenous communities (including, for example, culturally appropriate service provision).	As soon as practicable.	Increase in administrative costs for governments. May lead to selection of higher cost providers, potentially offset by increased effectiveness. Improve service quality through selection of providers that can better achieve outcomes. Improve responsiveness through including attributes valued by the community.
<b>Recommendation 9.5</b> Invest in better systems to underpin service provision by developing outcome measures, conducting community assessments and establishing evaluation and feedback systems.	Ongoing	Governments and service providers would face costs of data and information gathering, analysis and sharing. Improved efficiency and quality of services (better targeted to community need).
<b><i>Responsiveness to local needs</i></b>		
<b>Recommendation 9.6</b> Adopt more regional and localised approaches to decision making and engagement with communities. Give local staff more authority over local planning, engagement and service implementation.	Commence as soon as practicable, expanding over time as capacity is built.	Resourcing and capacity-building for regional staff. Better understanding of communities and their needs, greater linkages between government decision makers and communities.

About one in five Indigenous Australians live in a remote area (ABS 2013a). In 2011, there were over 1000 discrete Indigenous communities in remote areas (figure 9.1), of which more than three-quarters had a population of less than 50 people (ABS unpublished data). Remote communities are unique and challenging environments for service provision.

**Figure 9.1 Discrete Indigenous communities by size and remoteness, 2011**



Source: ABS (Census of Population and Housing, unpublished).

Some participants suggested that the Commission should also develop recommendations to improve human services delivered to Indigenous Australians in non-remote areas (Department of Health, sub. DR569; NCAFP, sub. DR565; VACCHO, sub. 455). The Commission recognises this view and notes that some of the discussion in this chapter is relevant to providing services to Indigenous people living in non-remote parts of Australia.

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Indigenous Australians as a group are among those most likely to experience deep and persistent disadvantage (McLachlan, Gilfillan and Gordon 2013). Indigenous Australians living in remote communities have significantly worse quality of life than most other Australians. Where data are available, they also suggest that Indigenous people living in remote communities have worse life outcomes than other Indigenous people. From 2003, the Steering Committee for the Review of Government Service Provision has published the *Overcoming Indigenous Disadvantage* report of indicators of Indigenous people's wellbeing. Over that time, there has been evidence of improvement in some areas, but outcomes have stagnated or declined in others (SCRGSP 2016).

The causes and consequences of disadvantage in remote Indigenous communities are complex and interrelated. Remoteness and scale play a role — they are often correlated with limited economic development, fewer opportunities for employment and diminished potential for positive life outcomes, relative to metropolitan and regional centres. Few remote communities have a mainstream economic base and the provision of government services is the dominant economic activity in many. The way services are designed and provided needs to reflect the circumstances of communities — the Commission's recommendations take account of this context.

Remoteness poses a number of challenges for service provision. It increases the costs of delivering services and prevents some services from being delivered at all. The size and remoteness of these communities means that they may not be able to support full-time services. Isolation also poses challenges, with some communities cut off from services for weeks or months each year. Even when they are accessible, travel can be difficult, costly, time-consuming and for some people, such as those who are frail or elderly, impossible. Access to online service alternatives can also be challenging due to a lack of IT infrastructure and, in some cases, a lack of the skills required to utilise those services.

The cultural and social context for delivering services is also complex. Remote Indigenous communities are diverse, with different characteristics, capacity, resources, representative arrangements and culture. Communities are dynamic — their circumstances and characteristics change over time. Discussions within communities can involve a complex interplay of cultural, inter-family relationships and other factors. Recruiting and retaining staff with skills in service provision and the necessary cultural competencies is an enormous challenge (NT Government, sub. DR593, Tasmanian Government, sub. 485). Few small communities have local people with the professional skills to deliver the suite of human services they need. Building the relationships needed to deliver services effectively takes considerable time, and provider and staff turnover can be a significant barrier to effective service provision.

## 9.1 The opportunity for reform

Indigenous policy has been characterised by high levels of instability, with shifts between Indigenous-specific and mainstream programs, and by overlapping and shifting

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responsibilities within and across different levels of government. Constant policy changes by governments at all levels have created uncertainty and confusion for communities and service providers and have undermined the effectiveness of service provision. This was captured by Empowered Communities (2015, p. 8).

[Likewise,] Indigenous leaders and communities trying to take responsibility for improving the future of their peoples are too often stuck in a morass of red tape and policy churn associated with the political cycle and the all-too-temporary whims of successive governments and their ministers. While we have the knowledge about our lives and communities, government holds nearly all the power.

Children's Ground (sub. DR562, pp. 1–2) outlined the effects that policy instability and shifting responsibilities and priorities have on service providers and service provision.

Funding is influenced by political cycles, constant changes in senior government ministers and staff and policy platforms. Coupled with competitive and short-term funding allocations, services are forced to focus on survival — being reduced to competing for funding for siloed programs that allow them to deliver only specific and discrete outputs, rather than a focus on prevention, long or even short-term outcomes. Too often this environment means that organisations are adjusting to fit into Government priorities for financial survival rather than community priorities. This is an entrenched pattern across service sectors and systems.

Most communities and services will struggle to succeed in this environment. Governments must exercise patience and consistency while maintaining the capacity to act to address high levels of dysfunction and harm when they arise. Greater policy stability would support providers to build trusting relationships with communities, underpin continuous improvement and innovation in service provision, and improve the ability of governments to attract providers and staff to remote communities.

The Commission's current inquiry into Australia's system of horizontal fiscal equalisation has, in its draft report, recognised the unclear delineation of responsibilities for service provision across governments more generally, and has identified Indigenous programs as a priority area for reform (PC 2017b).

While governments have articulated high-level objectives for improving Indigenous outcomes, they do not have a clear vision of what they are trying to achieve at a community level. They have not invested enough in developing an understanding of the needs and existing service levels in communities, or a common set of outcomes that governments and providers can work toward in service provision.

## A better model of service provision is needed

The models of human service provision that can be effective in larger population centres are not working in remote Indigenous communities. The reality of remote Australia is that not all services can be delivered everywhere. There is nonetheless considerable scope for improvement.

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Competition between service providers is not commonplace in remote Indigenous communities, even where there are multiple providers, and user choice of service or provider is limited. The provision of human services in remote Indigenous communities, like family and community services (chapter 8), is largely designed around a model of contestability where providers compete periodically through tender processes for funding to deliver services. For example, the Australian Government provides Indigenous-specific grants across a range of service areas through the Indigenous Advancement Strategy. State and Territory Governments also commission human services through tendering processes, such as housing for remote Indigenous communities. This can be a sound model if implemented well.

Despite goodwill and significant resources, current approaches are not delivering the benefits of contestability (including better outcomes for service users, more innovation and greater efficiency) and are exacerbating its potential weaknesses (poor collaboration and a lack of service continuity). A number of participants argued that competition and contestability have contributed to fragmentation in human services in remote communities, and that moves to increase competition and contestability would worsen the situation (APO NT, sub. 478; CAAC, sub. 430; CMHA, sub. 399). For example, the Aboriginal Medical Services Alliance Northern Territory (sub. 477, p. 6) stated:

The principal driver of the high levels of fragmentation seen recently in remote Aboriginal service delivery in the Northern Territory is the move to greater competition and contestability and the undermining of comprehensive needs based planning processes such as those established under the [Northern Territory Aboriginal Health Forum], which could assess needs at a jurisdictional level and strategically allocate resources on that basis.

Services in remote Indigenous communities are often poorly planned and uncoordinated, both between and within governments, and between service providers. Decisions about service provision are made on the basis of jurisdictional, departmental and program boundaries, and this may come at the expense of a focus on outcomes for users. The inefficiency created by poor planning and coordination is stark. For example, the remote community of Jigalong in Western Australia received 90 different social and community services in 2013-14 for a population of less than 400 (WA DPC 2014). The Aboriginal Medical Services Alliance Northern Territory gave another example of a remote community in Central Australia where about 400 people receive social and emotional wellbeing programs from 16 separate providers, mostly on a fly-in fly-out or drive-in drive-out basis. The Alliance (sub. 274, p. 5) described what happens on the ground.

There was little in the way of communication or coordination with the local [Aboriginal Community Controlled Health Service], with providers often turning up unannounced and demanding information on and assistance with locating clients, use of buildings and vehicles etc. The resulting fragmentation and duplication of service delivery, lack of coordination, waste of resources and suboptimal outcomes for clients is totally counter to the improved outcomes sought by this inquiry and yet this was the result of government policy to introduce greater competition and contestability into service delivery.

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Consultation with Indigenous people who live in remote communities is inconsistent and disjointed. Participants lamented the frequency of white Landcruisers full of people rolling into town for meetings, often to discuss the same things as the car-load of people from another department who came for a meeting the week before. The frustrations are exacerbated when the people who come to the communities do not have the authority over local planning, engagement or service implementation to act on the issues that community representatives raise with them.

Uncoordinated consultation imposes a burden on communities where resources are already stretched and leads to fatigue and disengagement. More broadly, the uncoordinated approach to decision making is an inefficient way to allocate resources and effort, and leads to duplication of services and a lack of coordination between providers ‘on the ground’. The lack of coordination is a barrier to service providers addressing the complex and entrenched problems faced by some Indigenous Australians in remote communities.

Governments have also largely failed to evaluate approaches to service provision in remote Indigenous communities. The 2016 *Overcoming Indigenous Disadvantage* report noted the lack of rigorously evaluated programs in the Indigenous policy area (SCRGSP 2016).

## **9.2 Lessons from previous reforms**

Initiatives to improve outcomes for Indigenous Australians through the provision of human services have often fallen short at both the design and implementation stages. Governments have trialled many approaches to achieving better outcomes in remote Indigenous communities, with little sustainable success.

Australian governments have been testing ‘new approaches’ to addressing Indigenous disadvantage for more than ten years, particularly since the abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC). Indigenous affairs is largely characterised by a litany of reports and strategies, but implementation failure. (Phillips-Brown, Reddel and Gleeson 2013, p. 255)

### **The Council of Australian Governments trials**

The Council of Australian Governments (COAG) trials, announced in 2002, aimed to introduce a whole-of-government, co-operative approach in eight (remote and non-remote) communities. Over time the concept of place-based approaches (service provision models based on achieving outcomes for a place) was also incorporated in the trials. The trials aimed to tailor government action to identified community needs and aspirations, coordinate programs and services, work in partnership with communities, and build the capacity of governments and communities (Morgan Disney & Associates 2006). Each trial was led by one Australian Government agency and one State or Territory Government agency. The trials were intended to use a flexible approach, with different arrangements implemented in each community. For example, the trials included joint planning through ‘planning days,

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community forums, “100 day plans” and the adoption of Action Plans in a number of sites’ (Morgan Disney & Associates 2006, p. 19). Over the period of the trials there were a number of changes in the broader Indigenous policy environment, including the abolition of the Aboriginal and Torres Strait Islander Commission, the establishment of the Office of Indigenous Policy Coordination and Indigenous Coordination Centres.

Evaluations of the COAG trials yielded several lessons, including:

- consistency of community committee membership and lead agency staff was associated with higher trust, and strong government partnerships (across all three levels of government) were associated with stronger relationships with communities
- place-based approaches appeared to work most effectively where there were clearly identifiable Indigenous communities with strong, representative leadership and where government agencies played a facilitative leadership role, engaging across government and with community leaders
- governments and communities need to be willing to understand and work respectfully with each other
- solutions need to be responsive to local circumstances through flexible (not one-size-fits-all) approaches
- whole-of-government, place-based initiatives require systemic changes at the local, community, state and national level (Morgan Disney & Associates 2006).

## **The National Partnership Agreement on Remote Service Delivery**

The National Partnership Agreement on Remote Service Delivery (NPA RSD) (agreed by the Australian, NSW, Queensland, SA, WA and NT Governments) commenced in 2009 and introduced a new remote service delivery model in 29 priority locations. The new model adopted a place-based approach, established a single government interface in each community to coordinate services, developed local implementation plans and collected baseline evidence to assist in monitoring progress (Australian Government 2013b). Bilateral plans were also developed between the Australian Government and the participating State and Territory Governments, setting out milestones, performance benchmarks and indicators for services, and identifying priority communities for the rollout of the new approach (ANAO 2012).

Also in 2009, the statutory office of the Coordinator General for Remote Indigenous Services was created to oversee the implementation of the NPA RSD, report twice-yearly on progress and work across agencies to cut through bureaucratic blockages and ensure services were delivered effectively (CGRIS 2009).

The evaluation of the NPA RSD noted a number of lessons from the reforms.

- In the NPA RSD there was pressure to finalise plans quickly (to address service issues) that may have affected community engagement.

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- The focus on concrete changes (such as new government infrastructure and coordination and engagement mechanisms) may have come at the expense of less concrete aspirations such as enhancing governance and leadership capacity within communities.
  - Some government stakeholders considered the NPA RSD involved a heavy reporting burden, which may have related to the local implementation plans containing a large number of actions.
  - Many stakeholders considered that responsiveness to community needs could be improved by greater devolution of decision making to regional and local levels (Australian Government 2013b).

The role of the Coordinator General for Remote Indigenous Services was abolished in 2014. In his final report the Coordinator General outlined a number of lessons, including:

- joint planning and engagement between communities and all levels of government is required with greater responsibility for communities built into decision-making processes
- effective community empowerment requires investment in strengthening community governance mechanisms
- the need for agreed performance measures and standards for improved monitoring, evaluation and accountability at the local, jurisdictional and national level
- the skills of individuals and the collective capacity of both government and community need to be strengthened and supported (CGRIS 2014).

## **The Indigenous Advancement Strategy**

The Indigenous Advancement Strategy (IAS) commenced on 1 July 2014 and replaced more than 150 Australian Government Indigenous-specific programs and activities. The strategy is administered by the Department of the Prime Minister and Cabinet. The IAS includes five broad programs: jobs, land and economy; children and schooling; safety and wellbeing; culture and capability; and remote Australia strategies. The IAS was designed to ‘reduce red tape and duplication for grant funding recipients, increase flexibility, and more efficiently provide evidence-based grant funding to make sure that resources hit the ground and deliver results for Indigenous people’ (Australian Government 2014b, p. 4).

The Australian Government also established a regional network, with staff located on the ground in communities. It was intended that ‘staff in the [Prime Minister and Cabinet] Network will engage with communities to negotiate and implement tailored local solutions designed to achieve results against government priorities’ (Australian Government 2014b, p. 4). The Australian Government intended for Indigenous communities to have the key role in designing and delivering local solutions to local problems — to date this has not been the case in practice.

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Many inquiry participants raised the IAS as an example of failure (AMSANT, sub. 477; AHCWA, sub. 468; CAAC, sub. 430; NHLF, sub. 475; VACCHO, sub. 455). A common criticism was that the tender process disadvantaged Indigenous organisations. Another issue raised by inquiry participants was that the IAS was extremely centralised. The 2014 IAS grant funding round was the subject of both a Senate inquiry (SFPARC 2016) and an Australian National Audit Office (ANAO) performance audit (2017a). Issues identified in those assessments included that:

- the timeframe for implementation was too short and key implementation stages and timeframes were not met
- the tender process resulted in gaps in service delivery that had to be filled through new contracts and adjustments to existing contracts
- Indigenous organisations were disadvantaged in the tender process
- grants were not assessed in a way consistent with the program guidelines, some obligations under the *Commonwealth Grants Rules and Guidelines* were not met and records of key decisions were not kept
- the program design of the IAS lacked a clear evidence base
- performance targets were not established for all funded projects
- the consultation strategy was not fully implemented, and community involvement was limited
- regional investment strategies (which were intended to map each region's profile against priority indicators, identify key policy and geographic areas that would have the greatest impact on improving outcomes, and reflect community-identified priorities) were not developed
- the extent to which the regional network could adopt the intended partnership approach (partnering with communities to design and deliver local solutions to local problems) during the grant round was limited due to the short timeframes involved.

The Department of the Prime Minister and Cabinet accepted the recommendations in the ANAO audit, and noted that actions had already been taken or were underway to implement them (ANAO 2017a).

### **9.3 Toward a better model of service provision**

Much has been written about the successes and failures of initiatives to improve service provision in remote Indigenous communities. These lessons are often overlooked by governments and few formal evaluations have been undertaken — this needs to change. The Commission has identified a set of principles that would improve the effectiveness of service provision in remote Indigenous communities. The principles draw on the lessons from previous initiatives to improve services in remote Indigenous communities, and build on the principles for effective stewardship of human services (chapter 2) and effective

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commissioning of family and community services (chapter 8). The Commission has also taken into account the following set of ‘success factors’ identified in the *Overcoming Indigenous Disadvantage* reports:

- co-operative approaches between Aboriginal and Torres Strait Islander Australians and government — often with the non-profit and private sectors as well
- community involvement in program design and decision-making — a ‘bottom-up’ rather than ‘top-down’ approach
- good governance — at organisation, community and government levels
- ongoing government support — including human, financial and physical resources. (SCRGSP 2016, p. 3.18)

## **Greater community voice**

The characteristics of Indigenous communities (including their size and remoteness) mean that user choice through competition between providers will rarely be appropriate. Nonetheless, governments are making choices about who will provide which services, and along with providers are deciding how services will be delivered.

An alternative to user choice is ‘community voice’ — giving communities opportunities to engage with governments to express their preferences and priorities. Community voice can take a variety of forms, from engagement with communities to take their views into account in decision making, through to communities making decisions about the services they receive, or communities allocating funding.

Commissioning is often conceptualised as a cycle that involves planning the service system, designing services, selecting providers, managing contracts and ongoing monitoring, evaluation and improvement (chapter 8), and community voice can be exercised across the entire commissioning cycle. Several participants supported the idea of community voice, in remote Indigenous communities or more broadly (for example, Children’s Ground, sub. DR562; Opportunity Child, sub. DR535; Queensland Government, sub. DR592).

Increasing community voice in human services in remote Indigenous communities could result in services that are better tailored to the community, are more likely to be used by the community and hence be more effective.

The Smith Family’s experience of working in remote communities demonstrates that services that do not consider the unique cultural context of the specific community will not be utilised by community members. Community involvement in determining and designing appropriate services is paramount to service utilisation. (The Smith Family, sub. 469, p. 5)

The potential benefits of community involvement in program design and decision making have been recognised in previous initiatives (section 9.2). More recently, the Prime Minister’s Indigenous Advisory Council (tasked with advising the Australian Government

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on practical changes which can be made to improve the lives of Indigenous Australians) also noted the importance of collaborative approaches.

The Council reiterated to Government genuine partnership and collaboration with Aboriginal and Torres Strait Islander peoples will be critical to ensure policies coming forward to Government are driven and supported by aspirations and needs of local communities. (DPMC 2017b)

The draft report of the current Queensland Productivity Commission (2017) inquiry into service delivery in remote and discrete Aboriginal and Torres Strait Islander communities also noted the potential benefits from enabling community voice.

Community voice will only result in improved services if it is taken into account in program design and decision making and leads to changes in practice on the ground. Indigenous communities will only develop greater trust in governments if they see that there is genuine commitment to taking their views into account when decisions are made. For example, in relation to culturally appropriate service provision, the National Congress of Australia's First Peoples (sub. DR565, pp. 4–5) noted that:

The suggestion that the Government account for the cultural competency of service providers is particularly welcome. However, Aboriginal and Torres Strait Islander organisations cannot be faulted for remaining somewhat sceptical of the ability of the Australian Government to fund “culturally appropriate service provision”, given the extraordinary number of similar promises which have been made and broken in the past.

Increasing community voice is not a simple task and any expectation that Indigenous people should speak with one voice is unrealistic as well as unhelpful. Like other Australians, people living in remote communities often have strongly differing views about what is best, and this complicates engagement and service delivery. However, the impossibility of achieving consensus need not diminish the value of community voice.

The challenge for governments is to find ways to provide for communities to voice their preferences and priorities. One barrier to increasing community voice can be determining which bodies (or individuals) have the authority to represent their communities. Some communities have representative organisations that have the support and trust of community members and can speak on behalf of the community. However, this is not universal and the challenge for governments is even greater when a community does not have a well-functioning representative body.

## **Clearer outcomes**

Governments should work with communities to identify and measure the outcomes that human services are intended to achieve. To facilitate this, governments should establish better opportunities for Indigenous Australians living in remote communities to articulate the outcomes they want to achieve.

Outcomes can be defined and evaluated at several levels — service user, service provider, program and system (chapter 8). For human services in remote Indigenous communities,

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outcomes should be developed for both users and the community as a whole. Policy makers need to take into account both the broad objective of improving Indigenous Australians' wellbeing, and also Indigenous Australians' preferences, priorities and conception of wellbeing. Many inquiry participants drew attention to the holistic Indigenous Australian concept of health or wellbeing that encompasses:

... not just the physical well-being of an individual but the social, emotional and cultural well-being of the whole Community in which each individual is able to achieve their full potential as a human being. (National Aboriginal Community Controlled Health Organisation, quoted in NHLF, sub. 475, p. 2)

Similarly, Aboriginal Peak Organisations Northern Territory (sub. 478, p. 3) raised concerns that the definition of service quality adopted by this inquiry may not be broad enough to apply to the Indigenous context.

Of concern, firstly, is the way in which some of the objectives of human services have been framed (second Issues Paper, p 3). 'Quality' in an Aboriginal context must include broader measures of wellbeing, such as cultural or spiritual wellbeing, and not restricted to narrower conceptions of health outcomes. In this light, empowerment becomes a critical aspect of ensuring that Aboriginal services are 'quality' services, because of the impact that empowerment has on Aboriginal people's sense of self-worth.

Mainstream service models and outcomes frameworks that focus only on individuals (rather than communities or families) might not reflect the outcomes that are important to Indigenous people in remote communities. The report of the Yawuru Wellbeing Project (a research project that investigated the meaning of wellbeing to Yawuru people) noted that:

Connections to family and community, to the land, to culture and traditions, are all fundamental to how Yawuru feel about themselves, and their sense of a good life. Yet all too often, the sorts of indicators of social and economic development used to inform policy-making, or to evaluate policy or community initiatives, fail to represent such values in any meaningful way.

The problem here is not just the lack of consensus on how wellbeing for Indigenous communities should be conceptualised, but — more critically — that many of the indicators most commonly used to capture Indigenous peoples' wellbeing are drawn from western concepts that fail to reflect the essential elements of a good life that resonate with Yawuru people. (Yap and Yu 2016, p. 8)

Many inquiry participants noted the importance of culturally appropriate service provision. End-of-life care, in particular, was raised by a number of inquiry participants as a service area where culturally appropriate service provision is particularly important.

Quality care at the end-of-life is realised when it is culturally appropriate to the particular needs of individuals and groups that includes families, kindships and tribes. The place of dying and death is culturally and spiritually significant for many Aboriginal and Torres Strait Islander peoples and the need to 'return to country' is very important for many at the end of their lives. (PCA, sub. DR500, p. 2)

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## **Effective government structures and processes**

A Department of the Prime Minister and Cabinet (Patterson 2017, p. 5) discussion paper on machinery of government in Indigenous affairs highlighted the influence that government has on the success or failure of policies.

How well the [Australian Public Service] transitions from one administration to the next; how well it carries over the lessons of past practice and how well it exercises leadership in its own domain are serious practical and ethical questions. It is curious then, that contemporary focus on ‘failure’ in Aboriginal and Torres Strait Islander policy and practice is often framed as a failure in the efforts of Aboriginal and Torres Strait Islander communities rather than as a failure of public service efforts. We need a better understanding about the role and effectiveness of the [Australian Public Service] in Australian Indigenous affairs.

Government structures and processes, and the capabilities of staff, need to be suitable for the policy being implemented. Governments should tailor the way they operate to the circumstances in remote communities. Changing the approach to human services in remote Indigenous communities to put users at the centre of service provision, and promote community empowerment, would require changes in the way governments work — with communities, across departments, and with other governments. Achieving this requires a shift towards government structures and processes that support regional and local engagement, planning and decision making.

Government staff working in remote Indigenous communities need the skills to work with communities, to support meaningful engagement and to design programs and commission services that meet the diverse needs of these communities. Cultural training (training related to cultural differences to prepare people for living and working in another culture) has long been used as a means of preparing people for international assignments (Bhawuk and Brislin 2000). Inquiry participants noted that cultural training for staff is common practice in international development and argued that this should also be the case for non-local staff working in remote Indigenous communities. The SA Government (sub. DR571, p. 4) suggested that ‘mandatory cultural training specific to the region be considered for all staff working in a remote community, preferably prior to commencement of work in that community’.

## **Building community capacity**

Governments should support remote Indigenous communities to build their capacity. This would support community involvement in service design, provision and evaluation, through:

- increasing the number of community members involved in service provision (including human services) and in representative roles
- Indigenous service delivery organisations having the capacity (including governance, skills and staff) to deliver services in communities

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- Indigenous representative organisations having the governance, skills and support to make decisions about resource allocation and to exercise community voice.

Too often, opportunities have been missed to connect the provision of services with the building of local capacity, including the capacity of Indigenous service delivery organisations and individuals. Governments should also continue to build on and engage with regional representative organisations to support a move to greater community engagement and empowerment.

Capacity-building activities should be informed by an understanding of communities' existing strengths and preferences. As Tsey et al. (2012, p. 9) observed:

Measures to improve governance by imposing a one-size-fits-all approach to addressing Indigenous governance are unlikely to be workable or sustainable.

Some capacity-building arrangements currently exist, and could be built on. The Office of the Registrar of Indigenous Corporations provides resources and training programs to increase corporate governance knowledge, skills, efficiency and accountability within organisations. An ANAO (2017b) audit of the Office of the Registrar of Indigenous Corporations found that it supports good governance in Indigenous corporations. Jawun, a not-for-profit organisation, places people from the private sector, government and philanthropic organisations into Indigenous organisations to build the capacity of Indigenous people. These bodies, and others, have experience and skills that governments and communities could learn from.

## **Effective learning systems**

Governments, service providers and communities need to learn 'what works' (and for whom and in what context) in human services in remote Indigenous communities. Effective learning systems should inform community and government capacity building, and service design and provision. Governments should identify and disseminate lessons from evaluations to increase the application of effective service models (chapter 8).

Governments have tried many approaches to service provision in remote Indigenous communities and many of them have been reviewed. However, governments seem to cherry-pick the lessons from history, as they did with the NPA RSD, for example.

The road that the Council of Australian Governments travelled to get to the National Partnership Agreement on Remote Service Delivery had many clear sign posts from previous interventions and experiences of what works in place-based and community strengthening approaches for remote communities. As often seems to be the case, some lessons were firmly embraced in both the policy and implementation of the new approach, whereas others have been left to languish by the road side. (Phillips-Brown, Reddel and Gleeson 2013, p. 245)

Program failures in remote Indigenous communities have sometimes been met with overreaction from governments when a more measured approach could have achieved better results and maintained community trust. Governments have a role as stewards of the system

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to manage underperformance, including by removing providers in cases of failure (chapter 8). However, this needs to occur within a system where governments and communities work early to identify and address problems and learn from the past.

An effective service system would incorporate ongoing service monitoring, evaluation and continuous improvement. Explicitly requiring that programs are monitored and evaluated with input from communities can enhance community voice and improve service implementation and ongoing provision. Evaluations that are carried out after programs have concluded are not adequate — evaluation needs to be an ongoing process embedded in program design. Evaluation should lead to ongoing discussions between governments, service providers and communities about the effectiveness of services, and be integrated with mechanisms to adjust contracts to improve outcomes.

## **9.4 Improvements to commissioning practices**

The failures in service provision for Indigenous people living in remote communities are not due to a lack of intent, effort or resourcing. Improving service provision in remote Indigenous communities is hard and change will come slowly. Governments and the community need to be patient. This requires a recognition that, while governments play a critical role in creating and maintaining the conditions for improving outcomes, the actions of Indigenous people themselves will also play a major role in determining outcomes.

The Commission is conscious that a major issue for remote Indigenous communities has been the rapid shifts in policy over time. It is recommending changes to commissioning arrangements that can be implemented as existing arrangements lapse and that would promote longer-term stability for service users and providers, and increase community involvement across the commissioning cycle. The recommendations address participants' concerns about the effect of current commissioning arrangements on users and providers. The proposed reforms address many of the same issues that arose in relation to family and community services (chapter 8), with adjustments to accommodate the different circumstances of remote communities, and take into account the principles for effective service provision (section 9.3).

These reforms, if well-implemented, have the potential to significantly improve the effectiveness of service provision over time, and consequently, to improve the wellbeing of Indigenous Australians living in remote communities. In addition, the reforms provide a foundation for moving toward greater community involvement and empowerment in decisions affecting the wellbeing of Indigenous people living in remote communities.

### **Longer contract terms**

Many inquiry participants argued that uncertainty around funding arrangements is an impediment to effective service provision and that contract terms are too short (for example,

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AHCWA, sub. 468; Anglicare Australia, sub. 445; CAAC, sub. 430; DSS, sub. 476; SA Government, sub. 460). This was also raised in relation to family and community services (chapter 8). The Senate inquiry into the IAS recommended that ‘where possible and appropriate, longer contracts be awarded to ensure stability so that organisations can plan and deliver sustainable services to their communities’ (SFPARC 2016, p. 64). The Queensland Productivity Commission (2017), in the draft report of its current inquiry into service delivery in remote and discrete Aboriginal and Torres Strait Islander communities, made a draft recommendation that contract terms should be longer.

Increasing certainty by increasing default contract lengths could improve outcomes by improving the continuity of service provision for users (for whom trusting relationships with providers are important). It would also provide scope for service providers to improve service quality by planning investments, such as staff development and new approaches to service provision, over a longer cycle. Short contracts, contracts with uncertain end dates, and uncertainty around contracts due to policy changes make it difficult to attract providers in remote areas (where, if the contract ends they may have no other work), and make it difficult for providers to attract and retain staff.

For governments, this approach would encourage a greater focus on upfront planning and community engagement as well as more active stewardship. Fewer contracting rounds will free resources to focus on creating stronger learning systems, community engagement and capacity development. For service providers, it provides more opportunity to invest in strong relationships both with the community and with other providers and government.

Longer contracts would also pose risks. Inquiry participants raised concerns that longer contracts could reduce the flexibility of governments to change their funding priorities (chapter 8). Some participants suggested that governments prefer to allow contracts to run their course, rather than intervene to address concerns about poor services, or replace ineffective providers. Longer contracts could increase the risk of communities being stuck with ineffective providers for many years.

Governments should actively manage contracts with input from communities. They should also develop and use safeguards for withdrawing contracts and ensuring continuity of service provision (through provider of last resort arrangements) in the event of a provider failure (chapter 2). A number of submissions highlighted the importance of appropriate safeguards and stewardship arrangements, if longer contract terms were adopted (AHHA, sub. DR561; CHA, sub. DR567; RACP, sub. DR580; UnitingCare Australia, sub. 514). Further, Chaney and Gray (sub. DR489) argued that if longer contract terms are implemented it is vital that the Commission’s recommendations on support for community skills and capabilities (recommendation 9.3) and improvements to provider selection processes (recommendation 9.4) be explicitly reflected in contracts.

The Commission has built on its discussion of contract terms in family and community services (chapter 8) when considering the benefits and potential risks of longer contracts in remote Indigenous communities. In those services the Commission’s recommendation is for default contract terms of seven years. In remote Indigenous communities there is a case for

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even longer contract terms, to allow extra time to establish community trust and invest in staff, capital and delivery models. The Commission's view is that ten-year default contract terms, incorporating contract reviews (discussed below) and the potential for contract termination for poor provider performance, is the right balance for services in remote Indigenous communities. As with family and community services, there should be some flexibility around the default contract length. For example, a shorter contract term could be warranted for the trial of a new service type. Governments should publish the justification for any contracts that differ from the default term.

In family and community services (chapter 8) the Commission has recommended that contracts include regular reviews as a safeguard to balance the risk of longer contract terms, as part of a more relational approach to contract management. Relational methods involve government and providers regularly working together to review progress, ensure priorities are being met and identify opportunities to improve performance. Governments should shift to a more relational approach to contracting in remote Indigenous communities, and community involvement should also be incorporated in these processes. Communities, governments, and providers should engage in collaborative reviews of contracts to assess progress and align effort with emerging priorities. In the remote context, these reviews should be conducted frequently (say every two years), consistent with a more collaborative approach.

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#### RECOMMENDATION 9.1

The Australian, State and NT Governments should set the length of human services contracts in remote Indigenous communities to allow adequate time for service providers to establish their operations; and have a period of continuity in service provision and handover before the conclusion of the contract (when a new provider is selected). The contract period should take into account the additional challenges of service provision in remote communities.

To achieve this the Australian, State and NT Governments should:

- increase default contract lengths for human services in remote Indigenous communities to ten years
- allow exceptions to be made, such as for program trials, which could have shorter contract lengths
- publish the justification for any contracts that differ from the default term
- initiate collaborative reviews (involving communities, government and providers) to assess progress, adjust priorities as needed and identify opportunities for improvement
- ensure contracts contain adequate safeguards to allow governments to remove providers in any cases of failure.

## Tender scheduling and timing

Currently there is little coordination of the start and end dates of contracts within remote Indigenous communities. Aligning the start and end dates of contracts for related services could create opportunities for communities and governments to identify the mix of providers that is likely to achieve the best outcomes. For example, service providers and communities might consider joint-venture arrangements if several contracts became available simultaneously. A more coordinated approach to contract timing could also focus communities and governments on future opportunities to change service provision in a community. This process would need to be managed well to ensure service continuity as the timing of contracts are aligned and decisions on providers are taken.

Governments should provide greater certainty about when tenders will be sought by publishing a rolling schedule of upcoming tenders over (at least) the next twelve months. They should also allow sufficient time (a default of three months) for providers to prepare a considered response (chapter 8). This would better facilitate coordination and the ability of providers to work together through, for example, forming consortiums to jointly tender for contracts or less formal forms of collaboration (chapter 8). A benefit of this approach is its potential to encourage more partnerships between mainstream providers and local Indigenous organisations.

Governments should also notify providers of the outcome in a timely manner ahead of the commencement of the contract and allow enough time for transition when new providers are selected. Uncertainty about whether funding will be renewed affects providers' ability to attract and retain staff, which in turn can negatively affect service users (chapter 8).

### RECOMMENDATION 9.2

To improve processes used to tender human services in remote Indigenous communities, the Australian, State and NT Governments should:

- publish a rolling schedule of upcoming tenders over (at least) the next twelve months
- allow sufficient time (a default of three months) for providers to prepare considered responses, including the development of integrated bids across related services
- notify providers of the outcome of tender processes in a timely manner
- allow enough time for transition when new providers are selected.

The Australian, State and NT Governments should also gradually work to align tender processes for related services in communities, commencing with a small number of communities.

## Supporting community skills and capacity

The provision of government-funded human services is often a large part of the economy in remote Indigenous communities and is an opportunity for governments to invest in building

local capacity. In designing services and selecting providers, governments should include a focus on skills transfer and building the capacity of people and organisations in the community. The NT Government (sub. DR593, p. 18) released an Economic Development Framework in June 2017, that includes actions to ‘change the way governments deliver human services in non-urban areas to create economic development opportunities’. This includes exploring ways to increase local service delivery and employment and building the capacity of local people.

Difficulty recruiting and retaining staff has been identified as an issue in remote Indigenous communities, and building a local skills base could encourage providers to recruit and retain local staff. For example, a service agreement for housing services could include specific funding to provide training for local people to learn how to maintain properties.

Over time, building the skills and capacity of people and organisations in the community could lead to more local service delivery. Any capacity building, or transfer of skills or responsibility should occur at a pace and in a way that suits the circumstances of the community.

Building and utilising a local skills base could have additional costs initially. However, over time, it would improve community development and resilience and could lower the cost of service provision (such as through lower transport costs).

#### RECOMMENDATION 9.3

The Australian, State and NT Governments should ensure that commissioning processes for human services in remote Indigenous communities incorporate skills transfer and capacity building for people and organisations in those communities.

### Provider selection processes

Many inquiry participants argued that competitive tendering arrangements tend to disadvantage Indigenous organisations. (The IAS was commonly raised as an example.) One reason given for this was that large mainstream organisations have greater resourcing for and experience in responding to calls for tender.

Competitive tender processes also tend to favour large-scale NGOs which have the skills and capabilities to develop effective grant applications. Though some larger organisations offer brokerage or subcontracting to local communities, as discussed above, others implement a ‘one size fits all’ approach that doesn’t reflect the diversity and complexity of local communities. The Department [of Social Services] tries to counter this when assessing funding applications and requires applicants to demonstrate how they will service the local community. (DSS, sub. 476, p. 8)

Another issue raised by inquiry participants was that tender processes do not always take into account the attributes of Indigenous organisations that mean that they can be more

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effective than mainstream service providers. Some inquiry participants argued that the status of an organisation as community controlled should be taken into account when selecting providers, or that community controlled providers should be preferred providers (CHA, sub. DR567; RACP, sub. DR580).

Aboriginal Medical Services Alliance Northern Territory (sub. 477) argued that, compared with mainstream primary care, Aboriginal Community Controlled Health Organisations provide greater health benefits, improve access for Indigenous people, deliver culturally appropriate services, are more likely to be committed to processes of clinical governance and evidence-based medicine and employ more Indigenous people (and develop their skills and career path). They also argued that Aboriginal Community Controlled Health Organisations are instrumental in developing and supporting innovative models of care (including through partnering with mainstream providers).

This is consistent with the situation described by participants in family and community services: that governments focus disproportionately on the financial cost of service provision and the quality of tender applications when selecting service providers (chapter 8). The cost of service provision is important to effective provision of services, as is the administrative competence of service providers, but other factors should also be considered. A shift in focus is needed to take into account all the relevant attributes of service providers that can contribute to outcomes for service users. In remote Indigenous communities, this should include attributes that are valued by the community such as on-the-ground connections and the ability to provide culturally appropriate services. Ultimately, service providers should be selected based on their ability to achieve outcomes for users, with the cost of the service considered in the context of the expected benefits.

A more thorough assessment of tender applications might be more resource intensive and could result in an increase in administrative costs for governments, although these might be offset from having fewer tenders. Additionally, a greater focus on the non-cost aspects of tender applications, such as a providers commitment to coordinating with other service providers, could result in higher-cost providers being selected, resulting in higher costs of service. However, the significant potential for better outcomes in remote Indigenous communities means that the benefits are likely to exceed the costs.

While inquiry participants were broadly supportive of the Commission's draft recommendation on improvements to provider selection processes, some questioned whether it would achieve change in practice. The National Congress of Australia's First Peoples (sub. DR565) argued that it was unclear whether the draft recommendation would significantly alter the disadvantages faced by smaller Indigenous organisations. Community Mental Health Australia (sub. DR498) expressed concern that the draft recommendation could be interpreted very broadly and was potentially little different to what already occurs.

The Commission is making recommendation 9.4 because there is a clear need for change. Governments should implement material changes in their provider selection processes to take into account all the relevant attributes of service providers that can contribute to their ability to achieve outcomes for service users.

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#### RECOMMENDATION 9.4

The Australian, State and NT Governments should take into account the attributes of providers that contribute to achieving outcomes for people living in remote Indigenous communities. These attributes may include:

- culturally appropriate service provision (specific to the region where the service is being provided)
- community engagement and governance, including through considering communities' feedback on provider performance
- collaboration and coordination with existing service providers and community bodies
- employment and training of local and/or Indigenous staff.

## Planning, evaluation and feedback systems

Improvements to planning, evaluation and feedback systems are essential underpinnings of better service provision. As a starting point for better service provision, governments should work together to develop outcome measures for human services in remote Indigenous communities, informed by the preferences and priorities of communities (section 9.3).

As noted in the Commission's consideration of family and community services (chapter 8), governments need to understand the needs of the full range of service users in order to deliver the mix of services that communities need. Without this knowledge, governments are not able to plan services effectively or to prioritise between users. This contributes to duplication, uncoordinated service provision, inefficiency and inequitable access. At the same time, it is important to supplement this information with on-the-ground evidence.

In remote Indigenous communities, a fundamental requirement for effective service provision is an understanding of the current situation, to inform service planning. Governments should conduct ongoing assessments of the characteristics of communities to provide information about communities' needs and capacities. This information should be published so that it can be used by communities and providers. The assessments would cover:

- community characteristics (including demographics and service user characteristics)
- community organisations and forums (including representative organisations and service providers)
- community strengths and capacity (including successful organisations and programs)
- the services that are delivered in the community, who provides them, who they are provided to and who funds them
- infrastructure available in the community (including IT infrastructure that can support technological innovations such as telehealth)

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- trends and drivers influencing the above characteristics (recognising that community circumstances are not static) — for example, trends in the expected future demand for services due to demographic change.

The assessments could identify gaps and overlaps in service provision that could be taken into account in commissioning and could increase the quality and efficiency of services through better targeting community needs. The information gathered could also assist in determining what capacity building support could assist communities and could contribute to service coordination and accountability.

Governments would need to draw on the knowledge of communities and service providers in the community assessments. Communities should be involved in the assessment process, and their views on community characteristics should be taken into account. For example, communities may have a different view to government on their strengths, or on the drivers influencing community needs. Sharing the information gathered with communities can also support community buy-in, understanding and decision making. *Footprints in Time*: The Longitudinal Study of Indigenous Children (LSIC), provides an example of both community involvement in gathering information and of sharing this information with the community. LSIC began with two years of consultation with communities and service providers to shape the study design. A strong theme emerging from those consultations was the need to work collaboratively with communities and ensure that Indigenous people were involved in the research. LSIC employs Indigenous research administration officers to conduct the survey. LSIC also feeds the information gathered back to communities by providing community booklets and factsheets that share the findings of the study with communities (Bennetts Kneebone et al. 2012).

The Commission recognises that collecting this kind of information can be resource intensive. Governments should draw on existing information where possible — there is much to be gained from the coordination and sharing of existing data. For example, there would be great merit in the Australian Government utilising information on services gathered as part of the Western Australian Regional Services Reform process. Assessments should also be undertaken with a clear understanding of what the information will be used for, and this should inform the types of information collected. Government decision makers need to use these assessments in the design and provision of future services.

Evaluation and an understanding of ‘what works’ (including for whom and in what context) also underpins better service provision. Explicitly requiring that programs are evaluated with input from communities can enhance community voice and improve service implementation. Evaluations that are carried out after programs have concluded are not adequate — evaluation needs to be an ongoing process embedded in program design. There are different ways to conduct evaluations, and evaluations can be tailored to the program and knowledge, skills and resources of the local community. Evaluating providers, programs and systems has costs as well as benefits, and the scope of an evaluation should be commensurate with the size and complexity of the program (chapter 8).

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Governments should also gather information on ‘what works’ and share it across communities, governments and providers. This would then feed back into service commissioning and provision. This should be done with the understanding that approaches that work in one community may not work in another.

#### RECOMMENDATION 9.5

The Australian, State and NT Governments should invest in better planning, evaluation and feedback systems to underpin service provision by working together — and with local communities — to:

- develop outcome measures for human services in remote Indigenous communities
- conduct and publish ongoing assessments of the characteristics and needs of Indigenous Australians living in remote communities, including mapping the existing services delivered in communities and drawing on existing information where possible
- establish systems to identify and share information on ‘what works’ in human services in remote Indigenous communities.

These actions will require ongoing commitment from governments, working in consultation with communities, service users and service providers.

## 9.5 Longer-term directions for service provision in remote Indigenous communities

In its draft report, the Commission outlined a possible longer-term transition to a place-based model of service provision centred on community plans. These would be developed by communities and would inform governments’ decisions about human services funding and delivery.

Following the release of the draft report, the Commission consulted with Indigenous community representatives, service providers and governments about this proposal. The consultations confirmed that there is merit to place-based approaches, but that a large-scale systemic rollout of place-based approaches across remote Indigenous communities is not feasible. This suggests that a more cautious approach than initially outlined by the Commission is warranted.

Governments should work to lay the foundation for place-based approaches by strengthening government and community capacity, and be willing to adopt more place-based approaches where communities can demonstrate that they are ready and government capacity exists (or can be readily built).

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## Place-based approaches

Australia's federal system of government poses challenges to coordinating the planning and provision of human services. Many stakeholders pointed to the potential of place-based approaches — programs designed and delivered with the intention of targeting a specific geographical location(s) and particular population group(s) in order to respond to complex social problems (Wilks, Lahausse and Edwards 2015). Place-based approaches cut across the government 'silos' that are a barrier to coordination. The potential benefits of place-based approaches to human services are widely recognised, and place-based approaches have been used in a number of previous initiatives (section 9.2). Phillips-Brown, Reddel and Gleeson (2013, p. 247) noted that:

Within Australia, the shift towards whole-of-government service delivery to meet the needs of a geographically defined local community has been occurring since the 1970s.

Within the broad objective of taking a place-based approach to service provision, a spectrum of models have been proposed. Some features are common across models. Wilks, Lahausse and Edwards (2015) found that a common element of place-based approaches is the involvement of the local community (through consultation and active involvement in decisions). Other models go further in delegating authority to local decision makers. For example, some favour implementing place-based approaches by giving Indigenous people more control over the funding and design of local services. Others promote a regional governance approach. No single model has universal support.

There are signs that place-based approaches are gaining traction in policy making for Indigenous communities, with a range of models in operation around Australia, including the Empowered Communities proposal, Local Decision Making in New South Wales, and Regional Services Reform in Western Australia (box 9.1). The Indigenous Affairs Group of the Department of the Prime Minister and Cabinet (sub. 265, p. 2) cited the principle in its submission to this inquiry.

Importantly, place-based approaches build community capacity to identify and develop solutions to issues. These approaches are also more likely to lead to sustainable improvements over the longer term.

The Queensland Government (sub. DR592, p. 3) noted that it 'is implementing community inclusive and place-based approaches that draw on the skills and experience of local community members, support Aboriginal and Torres Strait Islander community controlled service organisations, and utilises local networks to integrate service delivery'.

Initiatives like these hold promise, but will need time and patience from all stakeholders to achieve results. For example, the Murdi Paaki Regional Authority, often raised by inquiry participants as an example of good practice, has evolved and built its current arrangements and capacity over many years (box 9.2). Place-based approaches are also highly resource intensive and would not be appropriate everywhere.

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### Box 9.1 Some current examples of place-based and community voice reforms

**Empowered Communities (EC)** is a proposal for long-term reform of Indigenous policy, based on empowerment and development. The proposal is a place-based approach involving regional and community planning and priority setting. There are currently eight EC regions around Australia (in remote and non-remote areas). The Australian Government is supporting the EC model by sharing data and providing funding for ‘backbone’ organisations in seven of the EC regions. Work is currently underway in each region to identify first priorities and establish longer-term regional development agendas. Empowered Communities leaders and the Department of the Prime Minister and Cabinet are co-designing a joint decision-making approach for joint planning and increasingly sharing decision-making authority with local leaders.

**Local Decision Making** in New South Wales aims to place Indigenous Australians at the centre of service design, planning and delivery, thereby enabling a staged devolution of decision making and accountability to the local level. This is done through the negotiation of accords between regional alliances and the NSW Government, which outline agreed priorities and projects, and decision-making processes. The NSW Government signed the first Local Decision Making accord with the Murdi Paaki Regional Assembly in 2015, and in early 2017 entered into accord negotiations with the Three Rivers Regional Assembly and the Illawarra Wingecarribee Aboriginal Corporation.

**Regional Services Reform** in Western Australia aims to bring about long-term systemic change to improve the lives of Indigenous Australians in regional and remote Western Australia. The reforms had an initial focus on the Pilbara and Kimberley and in 2017 expanded into the Goldfields. Strategic Regional Advisory councils bring together governments, communities, service providers and industry, while District Leadership Groups are implementing change at a local level.

Sources: Aboriginal Affairs NSW (2015, nd); DPMC (2017a); Empowered Communities (2017); WA RSRU (2017).

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### Box 9.2 The evolution of the Murdi Paaki Regional Assembly

The Murdi Paaki Regional Assembly (MPRA) is a self-formed regional governance body that represents Indigenous people in 16 communities across Western New South Wales. The Assembly has evolved in the Murdi Paaki region over 20 years, since its inception as the Wangukumara Regional Council Far West Aboriginal and Torres Strait Islander Commission Regional Council and has steadily built up its capacity to plan, advocate, lobby, attract resources for communities and manage or guide developments throughout the region.

The MPRA has been conducting regional planning for many years, with the current regional plan noting that it ‘continues the tradition of setting a framework for strategic development first documented twenty years ago in July 1995’ (MPRA 2016, p. 2). Another key element of the MPRA is the Community Working Parties (CWP). CWP provide a direct link between communities and the MPRA. The CWP are ‘the foundation stones of the [MPRA] and are the community’s Aboriginal voice, not only on their needs and aspirations, but also the issues faced by their community’ (MPRA nd).

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### Box 9.2 (continued)

MPRA is considered as an example of success. The evaluation of the Murdi Paaki Council of Australian Governments trial in 2006 noted that:

Among stakeholders familiar with the COAG Trials elsewhere in Australia, Murdi Paaki is regarded as the most advanced Trial site in terms of community capacity and governance. (Urbis Keys Young 2006, p. ii)

More recently the MPRA was awarded the 2016 Indigenous Governance Award in the non-incorporated category.

Not only has the MPRA maintained and built its capacity over a long period of time, but it has done so in an environment of frequent change to Indigenous policy. The Murdi Paaki region was one of the eight Council of Australian Governments trial sites, and two communities in the region were priority locations for the new remote service delivery model under the National Partnership Agreement on Remote Service Delivery (section 9.2). In 2015, the Murdi Paaki region was the first to enter into an accord with the NSW Government under Local Decision Making (box 9.1).

Sources: Australian Government (2013b); DPMC (nd); MPRA (2016, nd); MPRC (2002); Scullion (2016); Urbis Keys Young (2006).

## Laying the foundation for place-based approaches

The Commission is mindful that constant changes to policy have caused ongoing disruption to remote Indigenous communities (section 9.1). Any significant changes to services in remote Indigenous communities would take time. Expanding too far, too fast is a significant risk, and has been identified as a contributing factor to problems in previous reform processes. The lessons of the past caution against over-reach and over-promising — governments and communities must have realistic expectations about what changes can be implemented and how quickly change can occur.

Successful implementation of place-based approaches (including community planning) would depend on the capacity of both governments and communities. This capacity does not exist everywhere and would take time and effort to build.

Communities are diverse and have different levels of capacity to engage with place-based approaches. In New South Wales, as part of Local Decision Making, the NSW Government established good governance principles that must be met before communities progress through each phase of the initiative (Aboriginal Affairs NSW 2016). Evaluations of the COAG trials found that place-based approaches appeared to work most effectively where there were identifiable Indigenous communities with strong, representative leadership (section 9.2).

The capacity of governments (section 9.3) is another constraint to the broad application of place-based approaches. Chaney and Gray (sub. DR489, p. 2) argued that:

The existence of a siloed environment within the [Australian Public Service] remains an inhibitor to the effective adoption and implementation of place-based policies and structures. From our

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perspective, it is apparent that there is no clear locus of responsibility within the Government to drive the required transition within the [Australian Public Service] and across service providers.

Given these constraints, the Commission considers that a large-scale move to place-based approaches across remote Indigenous communities is not feasible. The Commission considers that its recommendations on the provision of services to remote Indigenous communities would form a solid foundation on which to base a longer-term transition to place-based reforms, on a case-by-case basis, as government and community capacity is built.

While a large scale move to place-based approaches is not recommended, governments should not stand still. Governments should be willing to adopt more place-based approaches where communities can demonstrate that they are ready and government capacity exists (or can be readily built), taking into account the differing circumstances, needs and preferences of communities. A variety of models have merit and an approach that works in one community may not work in another. Where there are existing arrangements these should be built on, and learned from.

At the same time, governments should work to lay the groundwork for further use of place-based approaches. There should be an ongoing focus on building capacity in communities and governments (section 9.3), with the aim that over time place-based approaches could be developed with more communities.

Governments will need to adjust their structures and processes and build the capabilities of their staff to implement more localised (including place-based) approaches. Historically, the risk appetites of governments have been a barrier to moving from rhetoric of community engagement and empowerment to routine practice that reflects these principles on the ground in communities. Governments have often sought to manage the risks of program failure through centralised, prescriptive approaches that inhibit the development of productive relationships with communities.

To move beyond rhetoric on community engagement and involvement, governments should shift the balance away from centralised decision making toward greater regional capacity and authority. To do this governments should give local staff more authority over local planning, engagement and service implementation. Governments would need to support this transition by authorising, resourcing and building the capacity and capability of staff working on the ground. A more regional and localised approach would foster better understanding of communities and their needs, and would facilitate greater linkages between government decision makers and communities. The evaluation of the NPA RSD noted that many stakeholders considered that greater devolution of decision making would improve responsiveness to community needs (section 9.2).

Changing the way governments make decisions would be a gradual process that must evolve from governments' current approaches to service provision. The Australian Government should lead the process of moving to a more regional and localised approach. Where possible, the Australian Government should work together with the State and NT

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Governments in engaging with regions. The Australian Government, through the Department of the Prime Minister and Cabinet regional network, already has staff present on the ground in communities across Australia and could use this as a basis for shifting the balance to more local engagement with communities, with more authority and responsibility vested with regional network staff.

#### RECOMMENDATION 9.6

The Australian, State and NT Governments should adopt more regional and localised approaches to decision making and engagement with remote Indigenous communities, to underpin the greater use of place-based approaches to the design and provision of human services. To achieve this, the Governments should:

- give local staff more authority over local planning, engagement and service implementation
- provide capacity building support (such as cultural training) for staff working in remote Indigenous communities.

The Australian Government and State and NT Governments should work together to engage with communities on a coordinated basis.