

‘Delivering public services: locality, learning and reciprocity in place-based practice’.

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Abstract Policymakers across myriad jurisdictions are grappling with the challenge of complex policy problems. Multi-faceted, complex, and seemingly intractable, ‘wicked’ problems have exhausted the repertoire of the standard policy approaches. In response, governments are increasingly looking for new options, and one approach that has gained significant scholarly interest, along with increasing attention from practitioners, is ‘place-based’ solutions. This paper surveys conceptual aspects of this approach. It describes practices in comparable jurisdictions – the UK, the EU and the US. And it explores efforts over the past decade to ‘localise’ Indigenous services. It sketches the governance challenge in migrating from top-down or principal-agent arrangements towards place-based practice. The paper concludes that many of the building blocks for this shift already exist but that these need to be re-oriented around ‘learning’. Funding and other administrative protocols may also ultimately need to be redefined.

Summary at a glance This paper considers the international application of place-based approaches in order to assess their potential to meet policy challenges in Australian settings. It examines how such approaches have been conceptualised in other jurisdictions, and the challenge in migrating these to contextualised, yet accountable, governance regimes in local Australian contexts.

Key words localised policy, experimentalist practice, place-based delivery

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Abstract Policymakers across myriad jurisdictions are grappling with the challenge of complex policy problems. Multi-faceted, complex, and seemingly intractable, ‘wicked’ problems have exhausted the repertoire of the standard policy approaches. In response, governments are increasingly looking for new options, and one approach that has gained significant scholarly interest, along with increasing attention from practitioners, is ‘place-based’ solutions. This paper surveys conceptual aspects of this approach. It describes practices in comparable jurisdictions – the UK, the EU and the US. And it explores efforts over the past decade to ‘localise’ Indigenous services. It sketches the governance challenge in migrating from top-down or principal-agent arrangements towards place-based practice. The paper concludes that many of the building blocks for this shift already exist but that these need to be re-oriented around ‘learning’. Funding and other administrative protocols may also ultimately need to be redefined.

Introduction

Policymakers across myriad jurisdictions are grappling with the challenge of complex policy problems. Multi-faceted, complex, and seemingly insoluble, ‘wicked’ problems have exhausted the repertoire of the standard systemic policy approaches traditionally available to governments. Such problems are now widely recognised, in Rittel and Webber’s (1973) terms, as interconnected, malignant and aggressive, unable to be easily managed let alone resolved, and requiring innovative governance changes across multiple dimensions (APSC 2007). In response, governments are increasingly looking for new options, and one approach that has gained significant scholarly interest, along with increasing attention from practitioners, is ‘place-based’ solutions. Place-based approaches seek to break down the ‘wickedness’ of broad and complex problems – like poverty for example – by dealing in detail with its different manifestations in different places at a very fine-grained local level. There are considerable governance challenges around deploying place-based approaches (Wilks et al 2015) not least of which are those associated with greater connectivity in joined-up service delivery (O’Flynn et al 2011).

This paper reflects on the international application of place-based practice to assess its potential to meet policy challenges in Australian settings. We focus on three research questions:

1. What are the necessary conditions for establishing a governance regime that can support contextualised place-based solutions while maintaining accountability?
2. How have place-based approaches been conceptualised in other jurisdictions, and how effective are they?
3. Can regimes based on centrally determined targets and top-down performance management migrate to more cost-effective, place-based practice?

We argue that place-based approaches will only work if the organisations delivering services – be they public or private – are structured in ways that respond to local need and allow staff to exercise discretion in responding to specific cases on the ground. At one-and-the-same time, place-based approaches need to be holistic in assessing local need in its full context, whilst being fine-grained enough to respond to those needs in flexible and individually tailored ways. This needs to be coupled with new thinking on how best to combine requisite levels of accountability with high levels of decentralisation.

The paper proceeds as follows: first, it surveys conceptual foundations, focussing in particular on the groundbreaking work of Charles Sabel and his co-authors. The second section surveys some place-based responses in comparable jurisdictions – the UK, the EU and the US. We then move to an in-depth analysis of how aspects of place-based governance have underpinned efforts to ‘localise’ Indigenous services in Australia. A concluding section summarises the argument in the wider context of reflections on the need for a renewal of administrative practice.

Conceptualising place-based services

‘Place’ has increasingly been proposed as an alternative approach in service delivery to top-down (or centralised or principal-agent based) governance (see for example Wilks *et al* 2015; Keller *et al* 2015; and Moore *et al* 2014). There would seem to be at least two basic reasons. First, governments are obliged to address chronic or emergent social problems to which there are no textbook remedies. And second, fiscal pressures are an increasing imperative (but see Hood and Dixon (2013)). These factors are mutually reinforcing and it is becoming increasingly apparent that wicked issues, such as unemployment, obesity, and drug dependence, for example, require bespoke approaches and engagement with the concerned citizen(s)/communities.

From a fiscal perspective, constrained revenues also encourage a focus on high cost services in the search for savings. But a focus on high cost services can require a more fine-grained assessment than is available in siloed budgets. This was graphically illustrated in the British Total Place report (HMT/DOC 2010), which emphasised the highly variable cost to the state of families with different circumstances and/or levels of need (OPM 2009). Not only did expenditure accrue highly unevenly across different categories of families but also most was reactive. By joining up services and responding proactively, ‘place’ promises to achieve more cost-effective outcomes.

One such scholar who has sought to add theoretical and conceptual depth to an understanding of place-based approaches is Charles (Chuck) Sabel. Working with co-authors, such as William Simon, Sabel has argued that there is a set of necessary conditions that underpin successful place-based governance. Sabel and Simon’s place-based architecture includes four elements: framework goals; broad local discretion; regular, local reporting and peer review, and therefore mutual local learning facilitated by ‘the centre’; and the evaluation and revision of goals, performance measures and decision-making procedures (Simon and Sabel 2011, pp. 79-81). Each of these four components operates in a mutually interlinked

way, meaning they operate dynamically rather than as a sequential checklist. Framework goals are about identifying broad and shared visions of what is trying to be achieved, such as the eradication of poverty in a locality. Broad discretion means placing both trust and responsibility in the people on the ground, be they public servants or partner organisations. The reporting requirement is crucial – not as a tick-box-exercise in measuring easily quantified outputs, but rather envisaged as a conversation where review leads to continual improvement. The evaluation and performance measurement is in some ways an acknowledgement that governments need ways in which to be able to objectively state that something is a success or not, and to hold someone accountable for the outcomes.

The essence of a localised approach is the accountability of communities or production agents not just for outcomes but also for the means that they adopt to achieve them. In Sabel and Simon's schema, agents need to indicate how they will approach their task and how they will self-assess. They need to be willing to share information about their practices such as planning and monitoring processes, delivery processes and governance processes. They must focus on progressively developing more effective outcomes, and their learning and continuous improvement must be facilitated.

The many challenges that place-based practice presents to more traditional, centralised approaches include an acceptance that in the development of policy learning, the primary building block is the means used by different providers who are working towards broadly similar ends. There is therefore no 'best practice' service delivery because most service settings will be too localised and contextualised to allow codified or standardised service designs to be developed. Following Sabel and Simon, we propose that place-based practice must satisfy three not immediately compatible criteria:

Localised context – first, since the development of agency or capacity at individual, family and/or community level is the goal, service designs must allow responses to be contextualised to 'local' individual needs and/or community circumstances.

Embedded learning – second, design must embed learning as the core value of the system and as the dynamic heart of its administrative architecture – to yield granular information that is essential to realise continuous improvement and reciprocal learning. Moreover, learning is pragmatic and experiential and adaptive not codified or definitive:

Reciprocal accountability – third, because public funds and politically determined purposes are involved, central accountability is essential. But accountability should entail a justification of local results against local targets set in the context of priorities or themes determined by the centre. Adaptive learning is gained from sharing outcomes across sites.

Sabel and Simon's identification of the elements underpinning place-based practice has highlighted the implicit tension between top-down and decentralised service designs. Established architectures, built in the era of New Public Management (NPM) emphasised central determination of outcomes, accountability based on these goals and service delivery based on arms length contracts. But place-based action implies variability of outcomes across sites, their progressive development, discretion for on-the-ground staff to tailor approaches to

local circumstances, and individual/community engagement in decisions that affect them. This is a significant shift in service design and administrative practice and can be conceptualised, we argue, as a shift from a pattern of delivery based on centrally determined economies of scale to one based on decentralised economies of scope. Key differences are depicted in Table 2 below.

<i>Economies of scale – centre-based</i>	<i>Economies of scope – place-based</i>
- principal-agent approach	- pragmatic, learn by doing approach
- silo-based policy design and organisation	- distributed policy design and organisation
- requires the establishment of central targets, elaborate performance measurement systems, top-down accountability and compliance regimes; and often involves service delivery by arms-length contracts	- requires the establishment of appropriate local organisation, appropriate local collaboration, and appropriate capacities for planning and implementation
- maximises efficiencies around discrete or segmented tasks	- maximises opportunities for proactive attention to complex, variable and high cost service challenges
- mobilises resources around centrally determined programmes (education, employment, child welfare, prisons etc.)	- mobilise resources around contexts, individuals or client categories
- focus on pre-determined and segmented needs	- focus on a holistic or comprehensive response to need
- knowledge principally derives from specialised theory	- assumes that knowledge about need is generated in the local context and often involves ad hoc teams
- predisposed to one-size-fits-all or best practice service models	- facilitates continuous, adaptive learning
- looks to randomised trials based on one possible model	- looks for continuous improvement
- centrally determined targets and metrics	- provisional and corrigible targets and purposes
- prioritises prescriptive regulation and/or arms-length, price-based contracts without provision for shared learning.	- prioritises accountable self-assessment and price based arrangements that enable shared learning and continuous improvement.

Table 1 - The service delivery design challenge: from centre to place

In the next section, we examine some recent developments in comparable jurisdictions to analyse the extent to which a shift away from economies of scale and towards economies of scope has been reflected in practice. In particular, we examine the interactions between the

three criteria of localised context, embedded learning, and reciprocal accountability to identify the friction points.

Place-based Approaches in Comparable Jurisdictions

UK Community Budgets

Recent UK governments have all sought to implement more decentralised governance, but through a variety of different prisms. Under the Blair/Brown Labour governments, Local Area Agreements (LAA's) were implemented to devolve some responsibilities to individual local councils, with varied results (see NAO 2007). The Lyons (2007) review of local government drew attention to place-based approaches, sparking a flourishing conversation on the merits of place-based thinking, with think tanks important contributors to the emerging agenda (Wind-Cowie 2010; IPPR 2010; Paun *et al* 2010; Coote 2010). The House of Commons Public Administration Select Committee (2007; 2012; 2013), and the UK's Communities and Local Government Committee (DCLG 2015b) have also played important roles in reviewing aspects of the various place-based approaches that have been implemented.

The first Cameron government embraced aspects of a decentralising agenda, including the Troubled Families program, aimed at joining up services at a local level to holistically address schooling, crime and employment challenges faced by individual families (see DCLG 2015a). The 2011 *Whole Place* Community Budgets program emphasised a wider shift in service design from central to local authorities (PAC 2013). Relevant central and local departments and agencies (and where appropriate NGOs and the private sector) joined up to create proactive services more responsive to specific local or client circumstances and needs. The promise, and indeed the premise, is enhanced service delivery impact at less cost. The *Whole Place* project was launched with four pilots that involved joint project teams from central government and the relevant authorities that mapped highest cost services/ categories and then sought to devise joined-up programmes. Technical advisory sub-groups focused on specific policy areas – health and adult social care; criminal justice; families with complex needs; the economy; and education and early years. They identified sources of information on unit costs and outcomes, and promoted consistency in assumptions (CSC 2011; LGA 2013; NAO 2013).

The National Audit Office (2013) undertook an assessment of Whole-place community budgets and was broadly supportive of place-based, joined up initiatives. It also highlighted the need to develop more robust and more standardised measurement tools as the experience of place-based delivery accumulated. This has since occurred, covering aspects such as:

- Information standardisation and sharing protocols;
- A protocol concerning the sharing of savings; and
- The maintenance and strengthening of incentives for participation in a program whose pay-offs are relatively long term.

The *Whole Place* program has since been extended to neighbourhoods under the *Our Place* label with substantial devolution to cities (HMT and Rt Hon George Osborne 2014; DCLG 2015b). The government has also commissioned six independent bodies to constitute what it has termed *What Works Institutes* in the areas of: health and social care, education attainment, ageing better, local growth, crime reduction and effective early intervention. However full evaluation remains to be undertaken. No doubt partly at least driven by budget restraint, the program has since developed on a substantial scale and its purposes have widened. For example, there are now at least three decentralising programs – *City Deals*¹, *Local Enterprise Partnerships* and *Devolution Deals*. By 2016, 27 *City Deals* and 39 *Local Enterprise Partnerships* had been established. In addition, ten *Devolution Deals* have been concluded (covering, for example, London, Greater Manchester, and Cornwall). A commitment to join-up a number of local areas and to introduce an elected mayor are a prerequisite for entering this arrangement. 46% of the population of England will be covered by such arrangements by 2017. As a consequence, central support for local government is planned to end by 2020. But a number of issues remain to be resolved, including importantly fiscal equalisation.

Whilst responsive to local context and needs, *Whole Place* appears driven by ‘best practice’ rather than by embedded, peer reviewed and shared learning at the place-based level. Reciprocal accountability is critical however it is unclear whether contractually based arrangements will constrain adaptation or ‘learning-by-doing’. An adaptive approach in this context requires a willingness to turn away from a focus on hierarchy and efficiency in favour of empowering decentralized decision-making in ways that will make an on-the ground difference (Roberts 1997). This philosophy is now driving the Cameron government with its principles of ‘reform, devolution and efficiency’², whilst lessons about learning at the level of local service delivery in the UK are now being generated (See Wilson *et al* 2016). In the next section we provide a brief scan of the ways in which other jurisdictions have sought to overcome centralised ‘best practice’ approaches in favour of more locally embedded options.

Experimentalist or Pragmatist Approaches in the US and EU

Alternatives to the UK’s *Whole Place* approach have emerged in federal and multi-level governance systems where there are concerns with designing complex yet relevant and cost effective solutions in problem areas of policy design. An experimental or pragmatist approach, indeed experimental pragmatism, has evolved in the US and EU as an alternative response (See Sabel 1992; 2004; and Sabel and Zeitlin 2011). This we equate with an emphasis upon the practical aspects of ‘learning by doing’ in policy design, and the role of local and shared knowledge as an instrument of discovery and adaptation. In keeping with place-based principles, there is no ‘one-size-fits-all’ approach that defines experimental pragmatism, but rather a determination to fit responses to local conditions. In the following paragraphs, we sketch out five brief examples that highlight the current breadth of

¹ Australian Prime Minister Malcolm Turnbull intends to adapt *City Deals* as part of his new cities agenda (Dole 2016).

² See - <https://www.gov.uk/government/speeches/prime-minister-my-vision-for-a-smarter-state>.

international practice to illustrate the variety of options that an experimental place-based approach can encompass. The list is by no means exhaustive, but provides an insight into the spectrum of approaches being adopted in other jurisdictions.

1. *School Support* - special support is being provided for underperforming students in Finland and some US States, with teams (variously comprising professionals, family members etc.) that identify barriers to learning on a case-by-case basis. Such services are used by some 30 per cent of Finnish students (Sabel *et al* 2010). Control over education has devolved to the town council level in Finland, but in a national curriculum context that has seen remarkable transformation in terms of service delivery and student achievement (Hancock 2011).
2. *Child Welfare* - services meet specific circumstances in a number of US states with the aim of combining individualised service with ‘explicitness and standardisation of explanation and measurement’ (Noonan *et al.* 2009 p. 535). Casework is a process of co-ordination and collaboration amongst stakeholders (parents, caregivers and children), professionals and institutions. Its basis is an agreed written plan. Having to agree on a common formulation increases the chances that these plans will add value to each other’s specialised perspective.
3. *Private Sector Regulation* - has been a third site for experimentalism (Sabel and Simon 2011, pp. 83-89). Typically, this involves a rolling rule regime in which, rather than conforming to a pre-established, centralised prescriptive code, the regulated entity identifies the risks to which it believes it is exposed and how it proposes to eliminate them. A regulatory authority evaluates the merit of these plans by benchmarking them against the best performers as happens in the US in areas such as food safety, pharmaceuticals, nuclear power, and air safety.
4. *Intergovernmental Design* – the German labour market program *Perspective 50 Plus* (Sabel *et al* forthcoming³) brought older recipients of income benefits back into (stable) employment through novel program design. A new program of regional employment pacts was launched, funded federally, but with targets and means determined at the municipal level in teams involving all the appropriate regional and local actors. A central Program Management Agency, run by an independent non-profit organization, reviewed and audited program proposals, advising both jobcentres and the ministry.
5. *Local control of healthcare* – the Nuka system of care in Alaska has seen Alaska’s Native people take direct ownership and managerial control of their healthcare system through the non-profit Southcentral Foundation (Gottlieb 2013). The system is built around the three pillars of ‘shared responsibility’, ‘commitment to quality’, and ‘family wellness’. It

³ See also the OECD brief “Perspective 50 Plus” – Employment pacts for older workers in the regions Available at: <http://www.oecd.org/employment/leed/37729545.pdf>

covers all aspects of healthcare, including mental and physical health, behavioural approaches, and dental care, and focuses on relationship building between service providers and consumers.

Having sketched out a variety of international developments (See also Sabel and Zeitlin 2011), which each embrace aspects of localised context, embedded learning and reciprocal accountability, we turn now to a detailed assessment of how some of these ideas are recognisable in Australia in efforts to address Indigenous disadvantage.

Indigenous Affairs in Australia

The effort to build place-based capacity in Australia has perhaps received most emphasis in Indigenous affairs. In recent decades, Indigenous administration has evolved through distinct phases (including the Northern Territory Emergency Response – see AHRC 2007). The first involved Howard Coalition government (1996-2007) efforts to create joined-up regional services; the second involved Rudd Labor government (2007-2013) efforts to create common inter-governmental action around shared targets; and the third involved Abbott Coalition government (2013-2015) efforts to link Commonwealth funding to five priority themes. These varied efforts reflect some of the structural dilemmas impeding place-based approaches in Australia's federal system, but also illustrate the building blocks needed for localised place-based practice with embedded learning and institutional reciprocity.

Phase 1: Structural Obstacles to Joined-up Government

In terms of the policy development context, from 2002, the Howard government sought to decentralise the administration of Indigenous programmes and create a place-based practice. The Council of Australian Governments authorised trials of joined-up localised governance (COAG, 2004). In July 2004, thirty Indigenous Coordinating Centres (ICCs) were established to manage funding and liaison with communities. From early 2005, Shared Responsibility Agreements (SRA) and Regional Partnership Agreements (RPA) were signed. These were negotiated with communities. There have been numerous assessments of these reforms both official or commissioned evaluations and independent academic assessments: ANAO 2007; Gray 2006; Gray and Sanders 2006; Hunt 2007; KPMG 2007; Morgan Disney 2006; O'Flynn et al 2010; Urbis Keys Young 2006.

Although the conclusion is not always explicitly drawn, these reports all point to the structural barriers that impede whole-of-government service delivery. We focus briefly here on two, one commissioned (KPMG 2007) and the other independent, conducted by academics from the Australian National University and the University of Canberra (O'Flynn et al 2010). The KPMG study involved a review of internal documents plus interviews with 158 Australian, state government agency staff and 35 community organisations. The O'Flynn et al study was based on 48 field interviews covering staff at ICCs, State and

regional offices and in Canberra. In summary, these reports identified the following impediments:

1. *Programmes remaining separate, with differential funding periods, delegations, reporting and other requirements.* According to KPMG (2007): ‘Overwhelmingly the consultation repeated the message that the current funding and reporting arrangements are a significant barrier to whole-of-government collaboration...Line agencies have different program guidelines, funding rounds and delegation which do not align...Complaints were raised about the different risk assessments each line agency applies. In some cases this can result in applications undergoing up to 8 different risk assessments’ (pp. 32-34).

O’Flynn *et al.* (2010) cite a Senior Executive Service officer at National Office: ‘When you go from the top down to the bottom [whole-of-government] disconnects at multiple levels. It disconnects through the allocation of finances, it disconnects through the rewards for your accountabilities for your program ... so all those things work against it’ (p. 248).

2. *Probity requirements inhibiting the provision of advice:* ‘Many line agency staff were unable to provide governance and financial management assistance to organisations due to probity issues relating to assessment of funding applications...’ (KPMG 2007 p. 21)
3. *Regional managers lacking authority over assigned staff:* ‘Line agencies confirmed that their staff are directly responsible to their line agency and that the ICC manager has no authority to compel or direct staff to undertake ICC work.... Conversely ICC managers reported feeling powerless in some situations as they do not have the authority to direct change’ (KPMG 2007 p. 9)

O’Flynn *et al.*’s (2010 p. 247) found the whole-of-government experiment to be an unequivocal failure because the ICCs under-performed due to the entrenched barriers to joined up working which permeate the broader public service. (For earlier discussions of such boundaries that resonate with these findings, see MAC 2004; Crowley 2004; and Hogg 2000).

If we apply a place-based lens over these early developments, it is clear that the three necessary components of ‘localised context’, ‘embedded learning’ and ‘reciprocal accountability’ were only partially embraced. Decisions on funding dates, outcomes assessment processes, and the management of staff remained too centralised and disparate to translate to a truly localised context. Equally, the sense of embedded learning through a dynamic two-way conversation and reporting system appears to have been swamped by accountability and reporting regimes that were too inflexible. This finding aligns with the broadly acknowledged sense in which traditional, typically hierarchical, working environments frustrate service delivery innovations that require heightened connectivity (Keast 2011; Ling 2002).

Phase 2: Systemic Obstacles to Federal-State Collaboration and Continuous Improvement

The next design iteration of Indigenous service delivery, under the Rudd government, sought to specify outcome challenges in concrete *Closing the Gap* terms and to tie state activity closely to these targets. But, as with its predecessor, this policy design was conceived at the centre and introduced top-down. In practice it undercut the flexibility that is required for effective local initiative and excluded engagement with the affected communities. It therefore implicitly makes the case for adopting more experimentalist practice that is provisional and corrigible, and subject to change as experience accumulates [Table 2].

In 2008, the Council of Australian Governments (COAG) agreed to six ambitious targets for Indigenous Australians:

- Close the gap in life expectancy within a generation
- Halve the gap in mortality rates for Indigenous children under five within a decade
- Ensure all Indigenous four year olds in remote communities have access to early childhood education within five years
- Halve the gap for Indigenous students in reading, writing and numeracy within a decade.
- Halve the gap for Indigenous students in Year 12 attainment or equivalent attainment rates by 2020
- Halve the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade.

These were treated as definitive goals. Governments have since acted as though fully accountable for their achievement. However, the supporting notes to the various national agreements underlined their inherent uncertainty. For example, the gap in life expectancy was to be closed within 25 years. ‘This equates to an annual improvement in life expectancy of 0.5 years for males and 0.4 years for females...Gains of this magnitude have taken around 60 years to achieve in the Australian population as a whole’ (Intergovernmental Agreement on Federal Financial Relations, Schedule G:84⁴).

Jon Altman (2009) pointed to the problematic nature of employment outcomes. ‘Research shows that between 1996 and 2006 less than 50 000 new jobs were created for Indigenous Australians. To halve the employment gap by 2016 will require between 71 000 and 106 000 new jobs, an extremely ambitious target given that only about 140 000 Indigenous people are currently employed. ...The chance of finding mainstream employment in remote Australia is limited owing to geographic isolation’ (Ibid p.8). In the absence of employment, ‘closing gaps and ending disadvantage’ is a mischievous fiction (Ibid p. 6).

Further evidence of the problematic nature of the basic goals is to be found in the *Strategic Review of Indigenous Expenditure* (DOF 2010) which notes: ‘Even by year 3 at

⁴ Available at: http://www.federalfinancialrelations.gov.au/content/intergovernmental_agreements.aspx.

school (average age 8), a very large gap has been established between the learning outcomes achieved by Indigenous and non-Indigenous students...The size of the gap varies widely by jurisdiction and location. It is widest in the Northern Territory in some remote schools no Indigenous students meet national minimum standards' (Ibid p. 98). In relation to health, this report comments: 'Clearly achieving the COAG targets for Indigenous life expectancy will be a major challenge with some commentators already labelling the target "aspirational"' (Ibid p. 132, citing Hoy, 2009).

Reflecting the highly centralised character of the goal-setting process, the *Closing the Gaps* targets became definitive for the elaborate performance management process that governed service delivery in the Indigenous policy system. Reviews by the COAG Reform Council, Productivity Commission, and annually to the Prime Minister documented slow progress against several goals and reverses in others (COA 2016). How did this centralised performance review contribute to on-the-ground adaptive learning or practice? McGuire and O'Neill (2013) found that the PC reporting had no influence: 'The target audience is the central and line agency managers responsible for budget preparationevidence of the influence on processes to improve service delivery is limited'.

Critiques of Indigenous service delivery do suggest that the top-down, centralised determination of targeted outcomes created a performance management regime almost wholly disconnected from practice and antithetical to place-based practice as we interpret it. Firstly, there was a lack of meaningful localised control, with the focus on headline policy targets providing a 'one-size-fits all' mindset. And secondly, whilst the overreach in the targets set may be normatively laudable, in practice it undermined opportunities for either continuous learning or nuanced accountability, with the failure to reach targets becoming the dominant narrative at annual reporting time.

Phase 3: Joined-up Funding

In 2013, incoming conservative Prime Minister Abbott made Indigenous advancement a personal priority. As a consequence, a number of federal programmes were consolidated within the Prime Minister's Department. To localise service delivery practices, a Network based on twelve regions was established. At the federal level, only health programmes remained outside the new arrangement. The government sponsored a report by a consortium of communities, which recommended devolution of funding and decision-making (Wunan 2015). The Coalition government has yet to announce its response. Preliminary discussion underlines the scale of the challenge (e.g. Shergold 2006; 2013; Walker *et al* 2010; Chaney 2013; Wunan 2015; Sullivan 2015).

Nevertheless, some building blocks for a more decentralised structure, as advocated here, with the features of localised context, embedded learning and locally interpreted accountability processes, would seem to be in place. For example, contracts oblige service providers to prepare activity plans describing their approach to delivery. Contracts envisage that providers will report routinely and in an informative way on progress. Local staff has the formal authority to initiate these exchanges. But the bottom-up processes through which such arrangements might be instituted remain to be developed. An accountability structure that can

identify opportunities for adaptive learning and then disseminate this appropriately around the policy system is missing. Compliance checking dominates and it is not clear that the skills required to introduce a place-based approach are in place. Crucially, the Indigenous policy coordination challenge, both across departments and levels of government, remains. In a review of processes in a comparable jurisdiction, Sabel and Jordan (2015) suggest how such matters might be addressed, but effective Australian arrangements appear to be a long way off.

Delivering on the Promise of Place-Based Governance

This paper has ranged broadly across the challenges of instituting place-based practice. It has suggested three design/assessment criteria for the development of a viable system. It has described the well-documented range of approaches already introduced in a variety of settings in the UK, EU and the US. It has also explored the more recent move to place-based approaches in Indigenous service delivery in Australia, and it has questioned the capacity of this particular design to sufficiently institutionalise continuous improvement or learning.

In terms of the three research questions outlined at the beginning of this article, our examination suggests that the answers – like place-based approaches themselves – are highly contextual. The conceptual work of Sabel and Simon, and the findings from existing approaches in the UK and the USA, suggest that there are clearly some necessary conditions for success. As we suggest, localised context, embedded learning, and reciprocal accountability are all necessary components for place-based governance. The challenge is to facilitate more innovative governance arrangements that allow sufficient local discretion without sacrificing the need to centrally account for money spent and outcomes achieved.

Our examination of the Whole-Place initiative in the UK, examples from the USA and Europe, and Indigenous policy in Australia has demonstrated that there is no single ‘best-practice’ model of what a place-based solution looks like. What works in UK communities will not necessarily transport across seamlessly into Australian Indigenous communities. Whilst the NAO (2013) assessment in the UK suggests that the approach is a sound one, the underwhelming outcomes of the last two decades in Australian Indigenous policy suggests that tailoring place-based strategies to local conditions needs to be even more finely-honed.

The architect of the Australian approach to Indigenous services, Peter Shergold has called for a fresh design to address complex policy challenges:

A different type of public service (is required), not just an improved version of what already exists..... I believe that Australia needs to rebuild and rearticulate the structures of democratic governance, recognizing that it requires greater collaboration between the public sector (on the one hand) and the private and community sectors (on the other). New forms of partnership are required to provide public benefit in unexpected ways and, in the process, to revitalize participatory engagement of citizens in the life of the nation. To

achieve these goals the operation of public services (collectively) and the role of public servants (individually) will have to be transformed. So what are the elements of change that can together make over the world of public administration? (Shergold 2013b pp. 8-9).

We argue that place-based governance has the potential to meet some of these challenges within the context of broader responses to the challenges of heightened connectivity in governance processes and service delivery. Drawing on Sabel's work, we suggest that a focus on meeting the attributes of *localised context*, *embedded learning* and *reciprocal accountability* offers important advantages. First, it institutionalises collaboration by moving the focus away from what individual departments can deliver in favour of focusing on local need. Second, it empowers individuals and local communities to view themselves as active participants in their own governance arrangements, rather than passive recipients of a policy solution based on a misguided centralised notion of 'best-practice'. Third, it recognises that what constitutes policy 'learning' is always dependent on the local context, and that whilst 'one-size-fits-all' solutions might help national governments measure outcomes, they do not help local communities address problems in nuanced ways.

The conceptualisation of place-based governance as a constantly evolving, dynamic, and locally focused series of practices furthermore opens up important areas for academic research and practical program and policy improvement. For example, as the evidence from other jurisdictions suggests, we still lack accountability systems that are sophisticated enough to allow for the level of local differentiation required. Equally, the record of the Howard and Rudd administrations demonstrates that a national government, no matter how motivated by goodwill, cannot hope to implement place-based solutions simply by central decree. It requires on-the-ground collaboration across all levels of government, and further research is needed to draw out new options for how that sense of partnership might be able to manifest itself at the local level. We have begun that discussion here and have argued that Australia has a lot to learn, certainly from its own efforts and their evaluations, but also from theoretical and practical developments elsewhere.

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