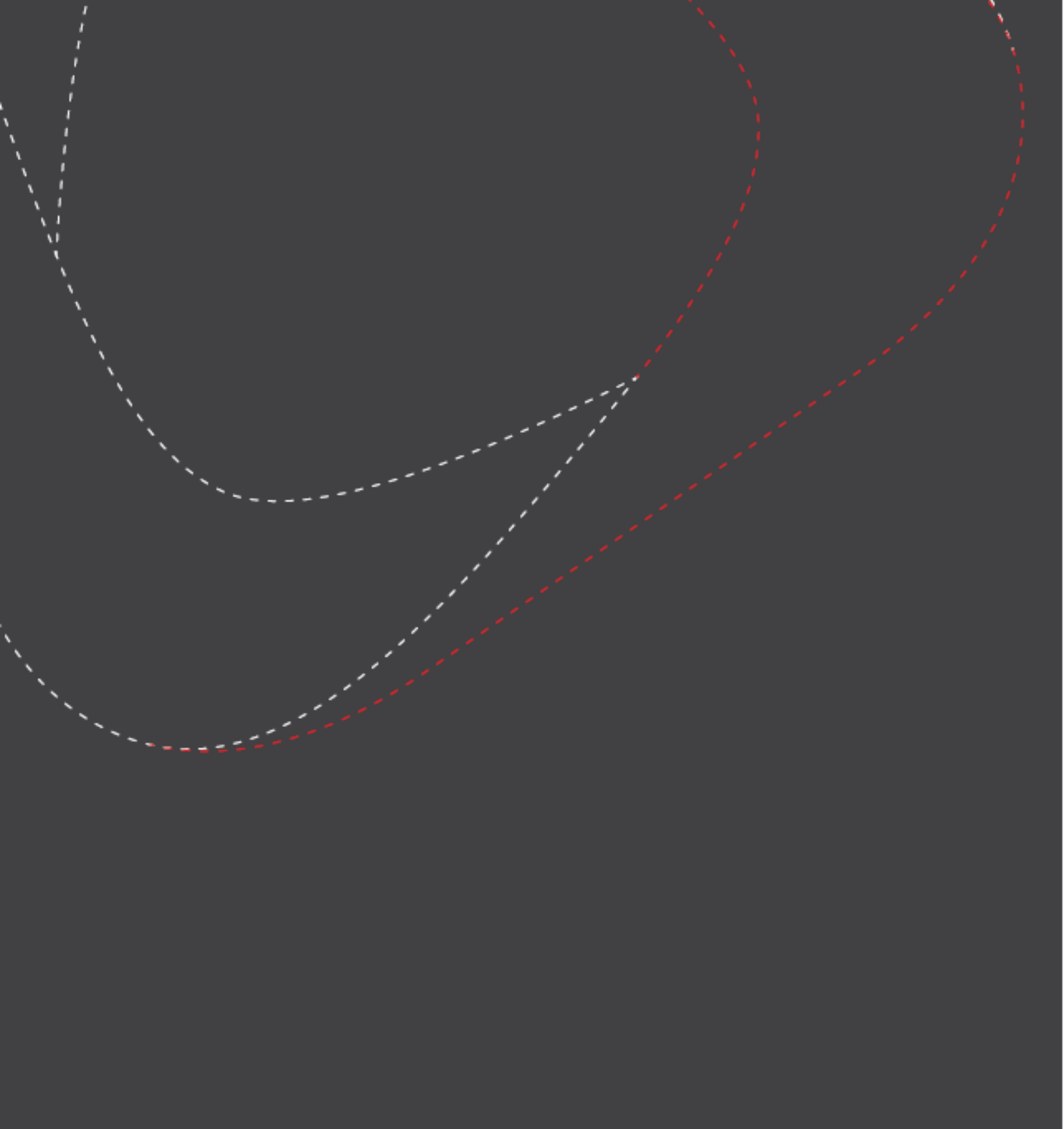




2017

FINAL REPORT

Service delivery in remote and  
discrete Aboriginal and Torres Strait  
Islander communities



---

© Queensland Productivity Commission 2017

The Queensland Productivity Commission supports and encourages the dissemination and exchange of information. However, copyright protects this document.

The Queensland Productivity Commission has no objection to this material being reproduced, made available online or electronically but only if it is recognised as the owner of the copyright and this material remains unaltered.

ABN: 18 872 336 955

# Foreword

Around 20 per cent of Queensland’s Aboriginal and Torres Strait Islander population live in remote or discrete communities. Despite large expenditures by all governments, outcomes and opportunities in communities remain behind the rest of the state.

The Queensland Government asked the Commission to examine how the resources devoted to service delivery in remote and discrete Aboriginal and Torres Strait Island communities can be best used to meet the needs of those communities.

We found that the system requires fundamental reform to work for communities and for government. To make material progress, the service delivery system needs change to provide the right incentives and better focus on economic and community development.

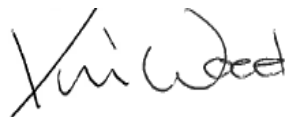
This final report sets out a reform proposal to enable the Queensland Government and communities to achieve real, long lasting and sustainable change. It includes a substantial and ambitious package of reforms—structural, service delivery and economic—to enable Aboriginal and Torres Strait Islander peoples to develop ways to improve outcomes for themselves. This will also require effective implementation to establish and embed this new approach.

The Commissioners would like to thank the people, organisations and communities that provided their views and participated in this inquiry. These inputs and insights helped to identify and explore issues, and ultimately strengthen our analysis and advice.

The Commissioners would also like to thank the staff who worked on this report—Kristy Bogaards, Matthew Clark, Brian Johnson, Bradley Saunders, Sid Shanks, Christine Tozer and Matthew Willett.



**Bronwyn Fredericks**  
Commissioner  
(Presiding Commissioner)



**Kim Wood**  
Principal Commissioner

December 2017

# Contents

Foreword	i
Overview	vii
Recommendations	xxviii
<b>1.0 Introduction</b>	<b>1</b>
1.1 What has the Commission been asked to do?	2
1.2 Our approach	3
1.3 Consultation	3
1.4 Report structure	4
<b>Part A: Background and assessment</b>	<b>7</b>
<b>2.0 Background</b>	<b>9</b>
2.1 The remote and discrete communities	11
2.2 Historical context	11
2.3 The service delivery environment	17
2.4 Conclusion	24
<b>3.0 Levels and patterns of government expenditures</b>	<b>25</b>
3.1 Background	27
3.2 Understanding expenditures	29
3.3 Constructing estimates of Queensland Government expenditure in remote and discrete Aboriginal and Torres Strait Islander communities	30
3.4 Headline estimates—how much does the Queensland Government spend on service delivery to remote and discrete communities?	33
3.5 Estimates of expenditure by region	37
3.6 Where do the expenditures go?	38
3.7 Alternative estimates—agency estimates	44
3.8 Community-level estimates—case studies	45
<b>4.0 Outcomes</b>	<b>51</b>
4.1 Data sources and challenges	53
4.2 Education	54
4.3 Economic participation	58
4.4 Health	61
4.5 Community safety	63
4.6 Housing	66
4.7 Wellbeing	68

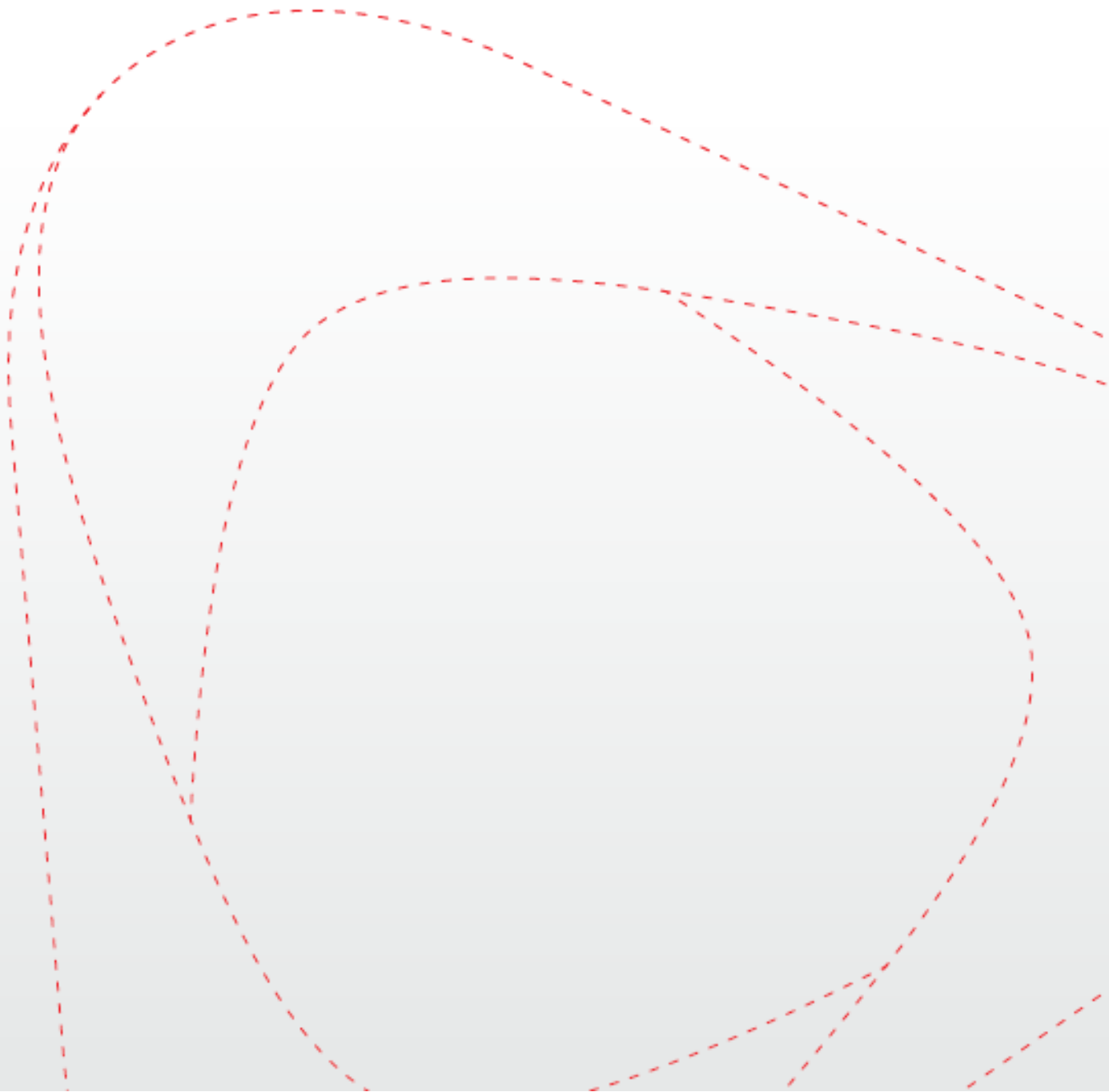
4.8	Indicators for the Torres Strait	69
4.9	Conclusion	70
<b>5.0</b>	<b>Overall assessment</b>	<b>71</b>
5.1	Assessment framework	73
5.2	A summary assessment	74
5.3	Institutional design and funding problems	75
5.4	Underlying problems and challenges	82
5.5	Key implications for this inquiry	99
<b>Part B: The Way Forward</b>		<b>101</b>
<b>6.0</b>	<b>Overview of proposed reforms</b>	<b>103</b>
6.1	Rationale for reform	105
6.2	A need for greater community control and responsibility	105
6.3	Widespread support for reform	108
6.4	Options for reform	110
6.5	The reform proposals	112
6.6	What would success look like?	114
<b>7.0</b>	<b>Structural reform</b>	<b>115</b>
7.1	The need for structural reforms	117
7.2	Heeding lessons from the past	118
7.3	The structural reforms	120
7.4	How the structural reforms address performance	127
7.5	Establishing the authorising bodies	129
7.6	Establishing capacity	132
7.7	A staged reform, not trials	136
7.8	The importance of regional, or cooperative approaches	137
7.9	How might the structural reforms look in practice?	139
7.10	Conclusion	143
<b>8.0</b>	<b>Directions for policy reform</b>	<b>145</b>
8.1	Changes in approach are required	148
8.2	Community voice and engagement	149
8.3	Choosing policy instruments that support development	150
8.4	From supply- to demand-oriented models of service delivery	162
8.5	Aligning incentives and rewarding progress	166
8.6	Support for 'holistic' service delivery	171
8.7	Building capabilities and ongoing support	175

8.8	Conclusion	176
<b>9.0</b>	<b>Economic and community development</b>	<b>179</b>
9.1	Why development is important for service delivery	181
9.2	Changing the approach	182
9.3	Viability and service delivery costs	184
9.4	Getting the economic framework right	185
9.5	Employment	195
9.6	Summary	215
<b>10.0</b>	<b>Evaluation</b>	<b>217</b>
10.1	Introduction	219
10.2	Background to evaluation	220
10.3	Limitations and challenges for conducting evaluation in remote and discrete communities	224
10.4	The importance of data	225
10.5	Current practice—assessment of effectiveness of evaluation in remote and discrete communities	226
10.6	The scale of evaluation should suit the scale of reforms	231
10.7	A framework for evaluation in remote and discrete communities	232
10.8	Independent oversight	239
<b>11.0</b>	<b>Implementation</b>	<b>241</b>
11.1	Introduction	243
11.2	Establishing acceptance, authority and ability	243
11.3	Assign ministerial and agency leadership	245
11.4	Establish joint community-government oversight	245
11.5	Assign an independent body to monitor and report on progress	246
11.6	Establishing the community authorising bodies—a staged approach	247
11.7	Institutionalise new approaches	247
11.8	Working with the Australian Government	248
11.9	Timeline for implementation	248
	<b>Part C: Key service delivery issues</b>	<b>251</b>
<b>12.0</b>	<b>Land tenure</b>	<b>253</b>
12.1	Current status	255
12.2	Key issues and challenges	259
12.3	A way forward	265
<b>13.0</b>	<b>Social housing</b>	<b>273</b>
13.1	Background	275
13.2	Issues and challenges	279

---

13.3	Possible solutions	286
13.4	Homelessness	293
<b>14.0</b>	<b>Municipal services and infrastructure</b>	<b>295</b>
14.1	Current status	297
14.2	Key issues and challenges	300
14.3	Potential solutions	308
<b>15.0</b>	<b>Education and training</b>	<b>311</b>
15.1	Introduction	313
15.2	Education	313
15.3	Training	334
15.4	Conclusion	337
<b>16.0</b>	<b>Community safety</b>	<b>339</b>
16.1	Introduction	341
16.2	The nature of violence, abuse and neglect	341
16.3	The costs of violence, abuse and neglect, and the benefits of interventions	342
16.4	Community safety outcomes	343
16.5	Expenditure on community safety	345
16.6	Recent government responses on community safety	346
16.7	Opportunities for improving community safety	348
16.8	Conclusion	358
<b>17.0</b>	<b>Health and wellbeing</b>	<b>361</b>
17.1	High-level outcomes	363
17.2	Factors affecting health service delivery	364
17.3	The health system	365
17.4	Conclusion	381
<b>Appendices</b>		<b>383</b>
	Appendix A: Terms of reference	384
	Appendix B: Submissions	386
	Appendix C: Consultations	388
	Appendix D: Remote communities	393
	Appendix E: Population of selected remote and discrete communities	394
	Appendix F: Reforms and initiatives that devolve decision making	396
	References	401

---





# Overview

This overview summarises the key findings and recommendations from the final report of the inquiry into service delivery in Queensland's remote and discrete Aboriginal and Torres Strait Islander communities.

## Key points

- Service delivery in remote and discrete communities is a complex 'system' of policy design, governance, funding and direct service provision, with responsibilities shared across all levels of government.
- The Queensland Government spends around \$1.2 billion a year (\$29,000 per person) on services to remote and discrete Aboriginal and Torres Strait Islander communities.
- Despite these expenditures, outcomes for Aboriginal and Torres Strait Islander people living in remote and discrete communities remain far behind the rest of the state, with most communities dependent on external resourcing.
- There is a strong commitment from government, service providers and communities to address the complex and longstanding issues facing remote and discrete communities, but the system they are operating under is fundamentally broken.
- There have been several past reform attempts, but they have not addressed the underlying incentives in the service delivery system that undermine outcomes and foster passive dependence.
- The key to achieving a sustained improvement is to enable Aboriginal and Torres Strait Islander communities to develop solutions for themselves.
- This means a change to the overall policy and service delivery architecture through three reforms:
  - structural reform to transfer accountability and decision-making to communities
  - service delivery reform to better focus on the needs of individuals and communities
  - economic reform to facilitate economic participation and community development.
- The reforms will need to be underpinned by:
  - capability and capacity building within government, service providers and communities to support a new way of doing things
  - independent oversight, as well as timely and transparent data collection and reporting to ensure performance and accountability.
- The potential benefits are large, both in terms of improving wellbeing in communities and the savings that could be directed towards activities communities value most highly.

# The inquiry

In December 2016, the Queensland Government asked the Commission to review and report on government investment in remote and discrete Aboriginal and Torres Strait Islander communities to identify what works well, and why, with a view to improving outcomes for Aboriginal and Torres Strait Islander peoples.

The terms of reference asked us to investigate and report on:

- levels and patterns of government investment and how they change over time
- interactions between investments made by all levels of government, non-profit organisations and third party service providers
- the range of service delivery programs and whether there is duplication or a lack of coordination across programs
- an evaluation of the design and delivery of existing government services
- best practice approaches for evaluating the effectiveness and efficiency of service delivery
- options to improve outcomes.

The Commission's approach to this inquiry reflects that it comes after a long (and ongoing) succession of inquiries, reviews and reports on Indigenous disadvantage. The breadth of services and issues mean that it has not been feasible to provide an in-depth assessment of every policy or program. The focus has been to examine the overarching policy, governance and funding framework that overlays all services, rather than examine each service delivery area in detail.

Service delivery in remote and discrete communities can be considered as a service delivery 'system' that is delivered across multiple agencies and governments. This system includes policy design, governance, funding and direct service delivery.

All levels of government share responsibility for this service delivery system.

- The Australian Government provides significant levels of funding to service providers and communities. Its focus is on economic participation, safe and supportive communities and health services.
- The Queensland Government is directly involved in service delivery, as a provider or through contracts with NGOs and other providers. It also administers grant funding. Its contribution is mainly in community safety, health, early childhood development, education and training, as well as social housing.
- Local governments also play a key role in delivering services and, in the discrete communities, are often responsible for a much larger range of activities than other local governments.

The Commission is only able to make recommendations to the Queensland Government. While we have considered the entire service delivery system, the primary focus of the inquiry is on Queensland Government funded and provided services

# Consultation

The Commission operates on a public inquiry model, underpinned by open and transparent consultation. We undertook three rounds of public consultation, released a draft report (October 2017) and consulted with more than 500 stakeholders, including the Indigenous Councils, community leaders, service providers and government agencies. We visited or met with stakeholders from every discrete community.

The separate Consultation Summary Report provides detail on the consultation process and stakeholder views (Box 1).

## Box 1 What stakeholders told us

### Communities indicated they value services that have staff and facilities ‘on the ground’

Three major services which provide consistent and valued service to our communities outside of TSIRC are Health, Education and the TSRA Rangers Program. All have staff and facilities on the ground in each community. All are integrated well into their communities and play a positive role in facilitating other services into communities. All are staffed by people living in the communities. (Torres Strait Island Regional Council sub. 12, p. 34)

### Stakeholders raised concerns about how services are funded, evaluated and reported on

... different sources of funding from different state and federal departments, often for the same clients, creates major issues associated with service provision, achievement of the best outcomes, administration and accountability. (Woorabinda Aboriginal and Torres Islander Corporation for Social and Emotional Wellbeing and Health sub. 5, p. 3)

... both levels of government have agreed to work together to reform current state-local government grant funding. In the State Infrastructure Plan (SIP), the Queensland Government made a commitment to review its fragmented infrastructure grant funding arrangements to local government. (Queensland Government sub. 27, p. 22)

There is very little evidence available around program evaluation and reporting. When asked, service providers say that ‘the council or community are not entitled to access this information – that it is confidential’ and that they are only required to provide this to their funding agency. (Local Government Association of Queensland sub. 14, p. 40)

### Many highlighted inefficiencies and duplication

Service delivery in small Indigenous communities is now a very crowded space, and there is over-servicing, duplication, waste and useless service provision in some areas. Even then, often services are so poorly targeted that there remains a high level of unmet need. (Cape York Institute sub. 26, p. 8)

... instead of alleviating indigenous disadvantage, the shared responsibility has led to confusion, cost-shifting and waste in indigenous program and service delivery. (The Centre for Independent Studies sub. 9, p. 4)

### Others highlighted the need for cultural capability to successfully partner with the community

[there is a] need for greater cultural capability, collaboration and coordination across all levels of government to improve the effectiveness of community engagement processes, as well as building stronger partnerships with community, and service providers. (Queensland Government sub. 27, p. 16)

### Stakeholders indicated a desire for a shift towards community decision-making and accountability

A key aspiration of the region and its leadership is to work towards achieving Regional Governance to enable local/regional control and management of all Government and non-Government services and programmes being delivered in the region. (Torres Strait Regional Authority sub. 22, p. 2)

Closing the Gap on Indigenous disadvantage requires a paradigm shift in the approach of government to service delivery in remote Indigenous communities ... For too long, Indigenous communities have been told what is best for them. This disempowers and alienates communities. (Local Government Association of Queensland sub. 14, p. 19)

# What is a remote or discrete community?

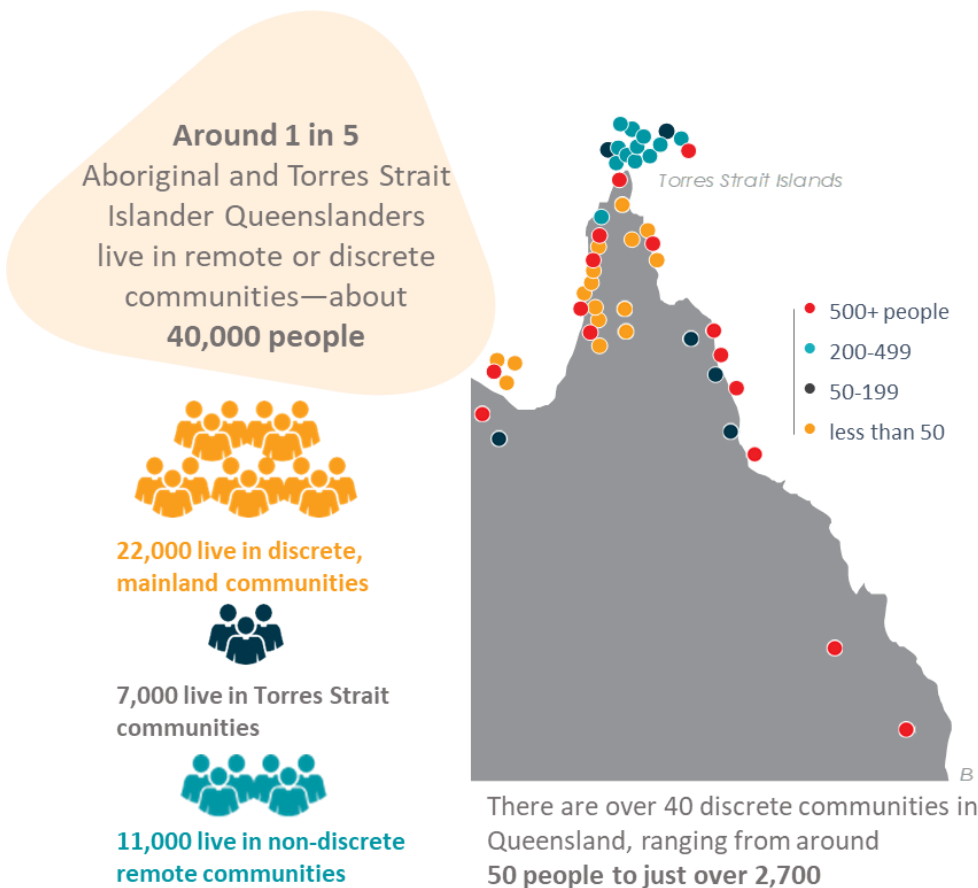
The scope of this inquiry is limited to service delivery in remote and discrete Aboriginal and Torres Strait Islander communities.

*Remote communities* are those communities within the area defined as ‘remote’ or ‘very remote’ under the Australian Bureau of Statistics’ Standard Geographical Classification Remoteness Structure.

*Discrete communities* are bounded geographical locations inhabited predominantly by Aboriginal and Torres Strait Islander people, with housing or infrastructure owned or managed on a community basis (AIHW 2016).<sup>1</sup>

These definitions mean that some communities are both remote and discrete, but some discrete communities are not remote (for example, Yarrabah), and some remote communities are not discrete (for example, Coen).

**Figure 1 Queensland’s remote and discrete communities**



*Note: Mainland discrete communities include Palm Island and Mornington Island*  
 Source: ABS 2006, QGSO 2017.

<sup>1</sup> The Queensland Government defines an Indigenous discrete community differently as a community situated on land held as a deed of grant in trust (DOGIT).

# Expenditure

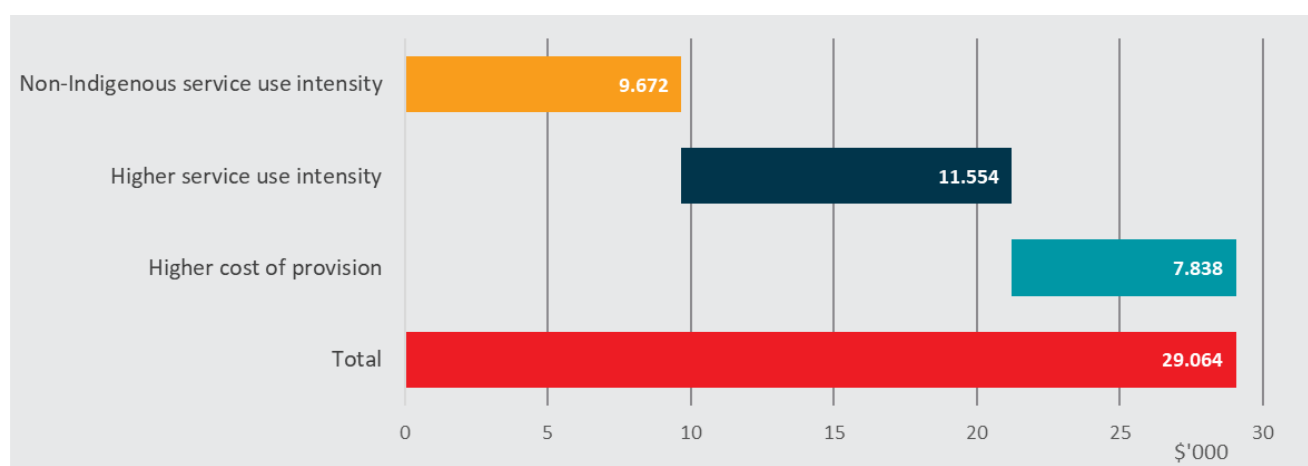
There is limited information available about government expenditures in remote and discrete Aboriginal and Torres Strait Islander communities.

We estimated Queensland Government expenditures using data from the Australian Productivity Commission, allocating costs to regions based on population size, service use, and delivery cost differentials.

Based on this approach, the Queensland Government spent \$1.2 billion on service delivery to remote and discrete Aboriginal and Torres Strait Islander communities in 2015-16. This equates to \$29,000 for every person in these communities and accounts for 2.5 per cent of the \$49 billion spent by the Queensland Government on service delivery across the state in that year.

High per capita expenditure on service delivery in the communities reflects both the high need (high service use intensity) and the high costs of service delivery in remote regions (Figure 2). Per capita expenditure on service delivery for Queensland's remote and discrete communities is broadly consistent with (or lower than) the expenditure levels in similar communities in other jurisdictions.

**Figure 2 Breakdown of per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—remote and discrete communities**



Source: QPC estimates.

Analysis of community-level data shows that there is a very high number of both services and service providers in communities. For example, in Hope Vale (population 1,125), we identified 78 different services (Table 1), provided by 46 different service providers. There were 44 different funding programs across 11 Queensland Government departments.

**Table 1 Service delivery in Hope Vale**

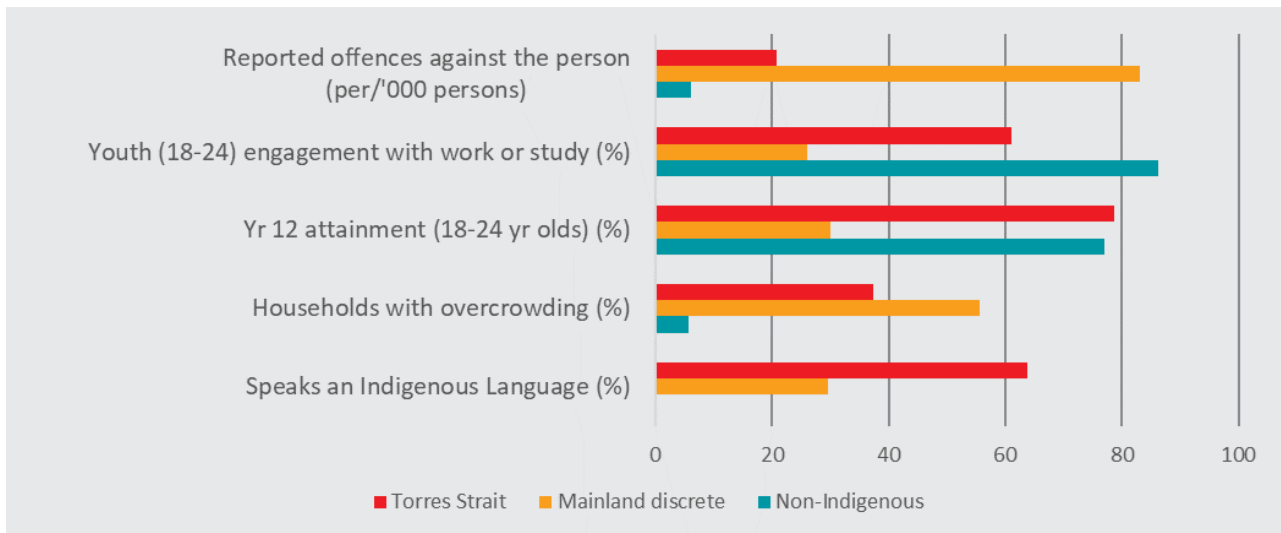
Service provider	In the community	Drive in/out or fly in/out	External	Unknown	Total
Government	7	18	1	1	27
NGO	7	21	1	2	31
Council	8	0	0	2	10
Private	10	0	0	0	10
Total	32	39	2	5	78

Source: Unpublished Queensland Government data 2017.

# Outcomes

Government investment is aimed at improving wellbeing. There is no single measure of wellbeing in remote and discrete communities, and data is publicly available only for a group of partial indicators. However, the available indicators suggest that, in spite of the high levels of spending on government programs, wellbeing in communities remains far behind the rest of Queensland (Figure 3).

**Figure 3 Selected outcome indicators for Queensland**



Note: reported offences against the person are presented as offence rates per 1000 people.  
Source: ABS 2011; DATSIP 2015.

Economic indicators in the remote and discrete communities show high and persistent rates of unemployment, welfare dependency and little private sector activity compared to other Australian and Queensland communities. These outcomes are at least partly the unintended consequence of past government policies:

- Discrete communities were typically located in areas deemed unsuitable for other use.
- Land holding arrangements have not provided the prerequisite conditions for economic development, including effective property rights for residents in the discrete communities.
- Governments, as ‘service providers’, have contributed to a culture of dependency, undermining individual initiative and capability, reducing incentives for individual responsibility.
- In some cases, governments directly displaced or crowded out market opportunities (for example, government-owned retail stores).

### Indicators are better in the Torres Strait where governance autonomy has remained strong

Outcomes vary among discrete communities and are not necessarily related to size, remoteness or geography. For example, Yarrabah, one of the larger discrete communities, is only 50 kilometres from Cairns but has the highest level socioeconomic disadvantage of any local government area in Queensland.

Differences in the level of governance autonomy in communities may contribute to differences in outcomes. This is particularly evident in the Torres Strait, where, for historical reasons, governance autonomy has remained relatively high, and measured indicators are better than in other discrete communities. This finding is consistent with academic research on outcomes in Indigenous reserves in Canada and the United States.

# How well is the system performing?

## There are examples of beneficial programs

Programs that stakeholders identified as working well (Box 2) tended to be consistent with the broader evidence on ‘what works’ in Indigenous communities. These include services that:

- took care of root causes, rather than focusing on the symptoms
- adopted a developmental approach, including a strong sense of community ownership and control
- were people focused, and incorporated a ‘bottom-up’ approach to program design, decision making and service delivery that included community leadership and culture
- supported iterative learning and capacity building
- aligned with ‘place-based’ requirements, rather than jurisdictional, departmental or program boundaries.

## Box 2 Successful services or programs identified by stakeholders

### Aboriginal and Torres Strait Islander community controlled health organisations (ACCHOs)

- Provide comprehensive health care within the cultural paradigm that makes services more accessible to Indigenous Queenslanders.
- Demonstrated superior performance to mainstream general practice. ACCHOs also play a substantial role in training the medical workforce and employing Indigenous people.
- Assessment found ACCHOs have reduced unintentional racism and barriers to health care access, and are progressively improving individual health outcomes.

### Strait Start: early childhood education

- Locally developed program, delivered in Torres Strait communities by trained community members.
- Supports development of children’s motor and cognitive skills, language and literacy, general knowledge, social and emotional development, independence and self-efficacy.
- Much of the significant improvement in the number of developmentally vulnerable children in the Torres Strait has been attributed to program.

### Indigenous VET Partnership

- Program administered by the LGAQ to build capacity in discrete communities.
- As of April 2017, had trained over 1,200 people with a completion rate greater than 95 per cent.
- Tied to employment outcomes, allowing locals to undertake jobs previously undertaken by fly-in fly-out contractors.

### DATSIP Technical Working Groups (TWGs)

- TWGs include the mayor, councillors, CEO and works/infrastructure managers.
- Coordinated approach to project scheduling and informed capital procurement processes.
- Smooths out program peaks and troughs to maximise employment and training outcomes.

### Return to country (RTC)

- Piloted by the Queensland Police Service to assist homeless people seeking to return home to communities. Participants were referred by Police Liaison Officers in the Cairns city area.
- Economic analysis indicated that RTC cost \$135,831 and potentially saved \$2.7 million due to avoided public service costs such as health and justice (2014 Australian dollars).

Sources: Panaretto et. al. 2014; TSIREC sub. 8; LGAQ sub. 14; Kinchin et. al. 2017.

**But overall the system is not working well**

Given the complex social issues facing communities—and uncertainties around solutions to these problems—it might be expected that policies and services may not always work as intended. However, evidence presented to the inquiry suggests that there is a broader problem, and that framework-level issues contribute to suboptimal outcomes.

**The service delivery system is a large network of administrative silos**

For any single community, at least 13 Queensland Government departments, as well as the Australian Government are involved in coordination, policy development and service delivery. Numerous boards and statutory bodies also work with communities or develop policies that affect them. Both levels of government also fund peak bodies and a range of NGOs working with communities (Figure 4).

This has created a bureaucratic ‘maze’—which services just over 40,000 people or less than 1 per cent of the state population. The system is characterised by overlaps in roles and responsibilities, unclear lines of accountability and difficulties ‘getting things done’, particularly when the challenges associated with delivering services into remote locations are added to the mix.

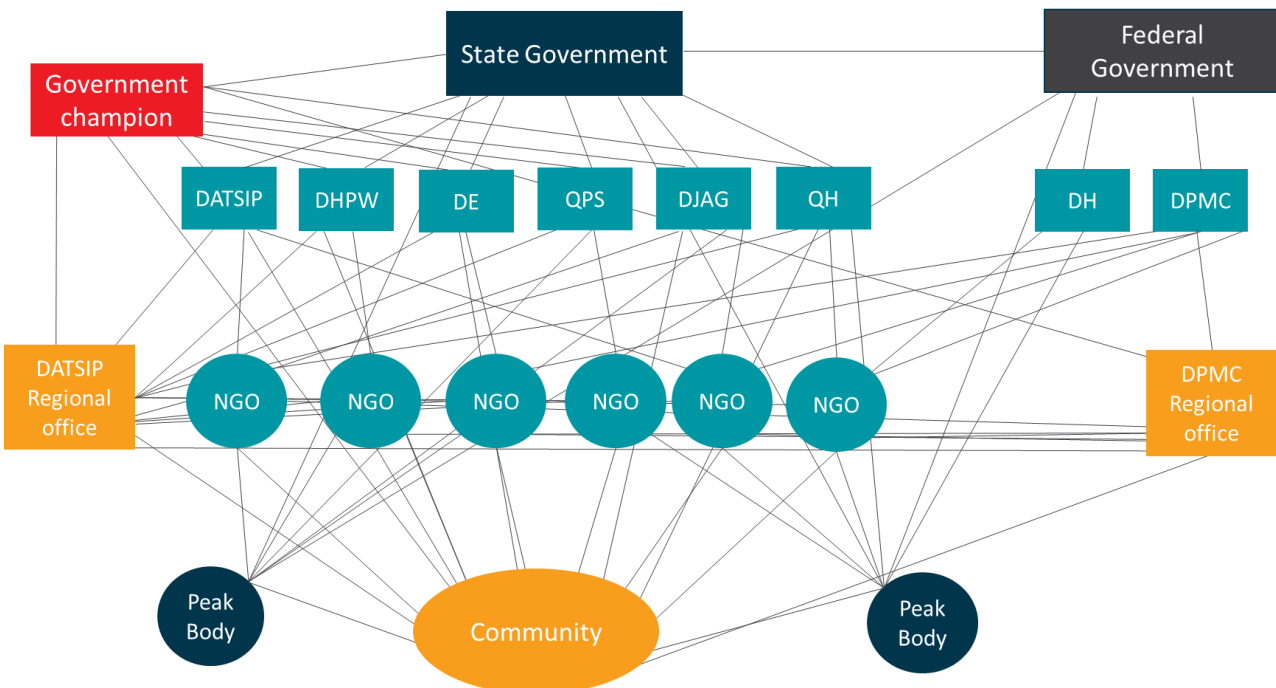
**Services are not as effective and efficient as they could be**

Administration and compliance costs, as well as other inefficiencies, appear to account for a material portion of the funds spent in communities and undermine the achievement of positive outcomes.

During consultation, communities, service providers and government stakeholders identified examples of:

- infrastructure that was funded and constructed, but was either unable to be used, or unsuitable for use
- high indirect or ancillary costs, excessive compliance burdens and other unnecessary requirements
- mismatches between service provision and community needs
- services being purchased for communities, but underused due to their not meeting local needs and/ or priorities.

**Figure 4 The bureaucratic maze**



*Note: To simplify, the map shows only a subset of the departments, authorities and NGOs involved in service delivery, design and coordination.*

### **Grant funding and contracting arrangements undermine service delivery**

Although grant funding and contracting arrangements aim to ensure accountability, manage risk and encourage competition, they do not appear to facilitate the outcomes they aim to achieve.

Short-term grant funding and methods of contracting lead to rigidity in program delivery (as opposed to focusing on the needs of the individuals or place) and high administration costs.

This contributes to uncertainty and is a barrier to long term planning, innovation and local capability building.

### **Evaluation of service delivery needs to be improved**

Good and timely performance information supports successful program delivery. For services delivered by the Queensland government, there is insufficient publicly available information to support an assessment of program performance.

Although compliance reporting requirements are extensive, the data collected typically does not provide evidence of the program's impact, account for how the money was spent, or report on whether the program is meeting its objectives.

The Queensland Government has guidelines to encourage evaluation. However, where evaluations are undertaken, they are often not made public. Stakeholders remain uninformed on the outcomes of evaluations they have been actively involved in and limited evidence and 'lessons learned' are available to improve service delivery or inform future programs.

### **The system creates a range of incentive problems**

In discrete communities, the government essentially 'operates' the community—individual choice, markets, rewards and responsibilities have a limited role. This results in 'principal-agent' and incentive problems:

- poor or conflicting incentives—for government (there is a bias towards visible action), service providers (who need to maintain programs and funding) and service users (who are rewarded for welfare dependency)
- limited or no alignment between decision-making and accountability—dispersed responsibilities and short-term policy mean there is limited genuine accountability to service users, communities, government or taxpayers
- information gaps between policy makers, service providers and communities—mean that services may not match people's real needs
- the costs of maintaining the system are high—there are significant 'transaction' costs and red tape. The system is so large and bureaucratic that it risks serving itself rather than communities.

### **Policy is caught in a recurring cycle**

The literature and history of policy development in Indigenous affairs suggests that it follows a recurring cycle, with service delivery failings and poor outcomes prompting attempts to patch up the existing service delivery model by filling gaps, improving coordination, and increasing funding.

Continuing this approach is unlikely to achieve substantial and lasting change.

### **More fundamental broader reforms are needed**

A range of options could be considered for reforming service delivery, each with their own advantages and risks. However, an assessment of the evidence available to this inquiry suggests that changes to the overarching governance, funding and policy architecture are required to improve outcomes.

# A reform proposal

## Where are we now?

The current system is not improving the wellbeing of those living in remote and discrete Aboriginal and Torres Strait Islander communities. Governments, communities and service providers expend large amounts of effort and resources, but the system creates poor incentives and accountability for outcomes and transparency is low.

### What is the aim?

A service delivery system that provides the right incentives, puts communities at the centre and focuses on performance, so that:

- people can access services that effectively and efficiently meet their needs
- people can access, and are empowered to take, economic and other opportunities
- communities, government and service providers act as genuine partners in developing solutions
- government focuses on outcomes rather than how things are delivered, while ensuring good stewardship of taxpayer funding
- all stakeholders can access good-quality, timely information to support decision-making
- mistakes are seen as an opportunity to learn and improve, and reforms adapt to changing needs.

### How to get there?

The Queensland Government can best improve outcomes through reforms that enable Aboriginal and Torres Strait Islander peoples to develop ways to improve outcomes for themselves:

- 1 Structural reform to transfer accountability and decision-making to regions and communities, reform funding and resourcing arrangements, and monitor progress through independent oversight.
- 2 Service delivery reform to better focus on the needs of people through service delivery models that suit the circumstances.
- 3 Economic reform to enable economic activity, support community development and make communities more sustainable.

Underpinning each of the reform elements must be support for capacity and capability building, so that government, service providers and communities can adjust to a new way of doing things. Independent oversight, as well as timely and transparent data and reporting, will be required to keep reforms on track and ensure accountability.

The reforms will be most successful where the Queensland and Australian Governments work together and jointly commit to change.

### What are the benefits?

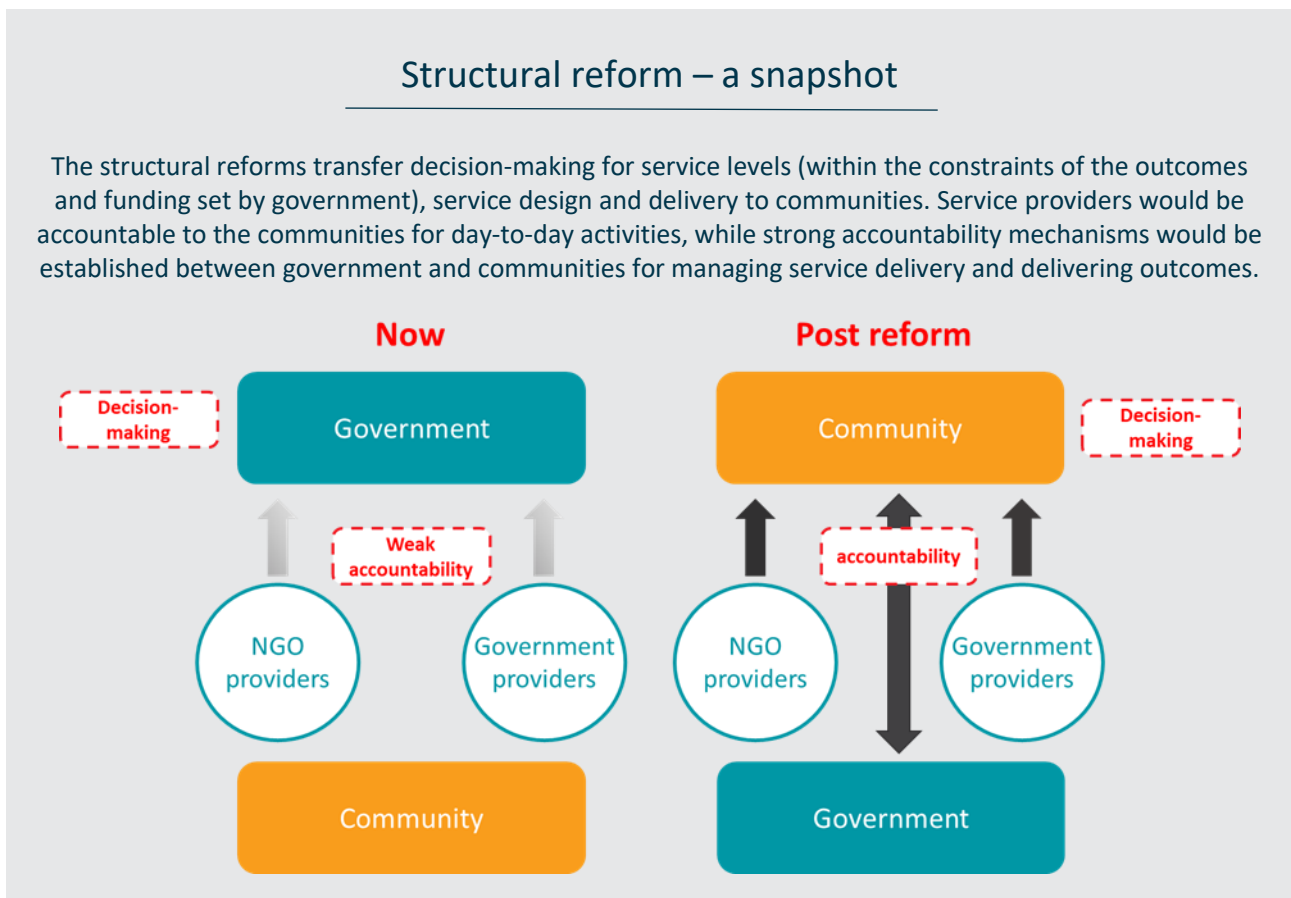
The potential benefits from reform are large, both in terms of improving wellbeing in communities and the savings that could be directed towards activities communities value more highly. The Commission estimates the direct gains from reducing disadvantage at more than \$500 million a year, in addition to a range of other economic and social benefits. For example, closing the gap on Indigenous unemployment by only one percentage point would increase gross state product (GSP) by more than \$130 million.

Just as service delivery challenges have been longstanding, so has the discussion on the underlying solutions. The priority for this inquiry has been to develop mechanisms that will enable the Queensland Government and communities to achieve change.

## Reform 1 – A structural change

Successive attempts to embed greater community involvement in service delivery—through consultation and co-design, plans and joint commitments—have not been able to overcome the incentives inherent in the current system. Even where gains have been made, the system tends to quickly revert whenever obstacles arise.

To make material progress, a structural change to move decision-making model for service delivery closer to the people it serves is needed.



Transferring decision-making closer to communities is more likely to:

- meet community needs and priorities
- empower people to have greater control over their lives
- create incentives for providers to be more responsive and drive innovation and efficiencies in service delivery
- allow service delivery to be more effective in improving outcomes and wellbeing.

To be successful, a transfer of decision-making also requires a transfer of accountability.

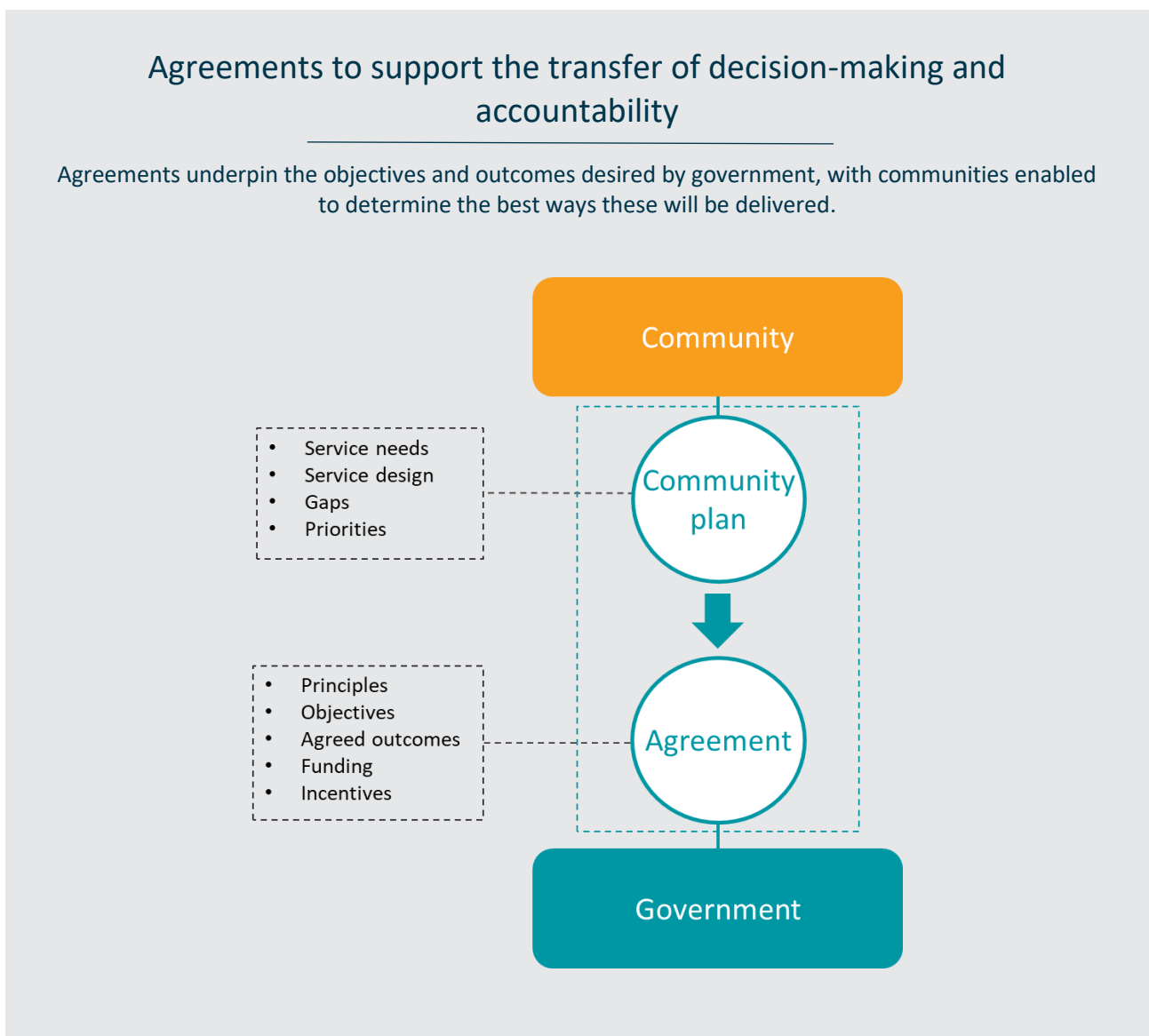
## Transferring accountability and decision-making

Rather than directing service delivery, government should set outcomes and accountabilities through formal agreements with communities. These agreements should specify the objectives, principles and outcomes being sought, and should be negotiated between Indigenous communities and government.

The scope of the agreements should include all services delivered in communities, covering:

- government-provided mainstream services, such as schools and policing, which are bound by legislative and other obligations
- Indigenous-specific and other services funded by the government.

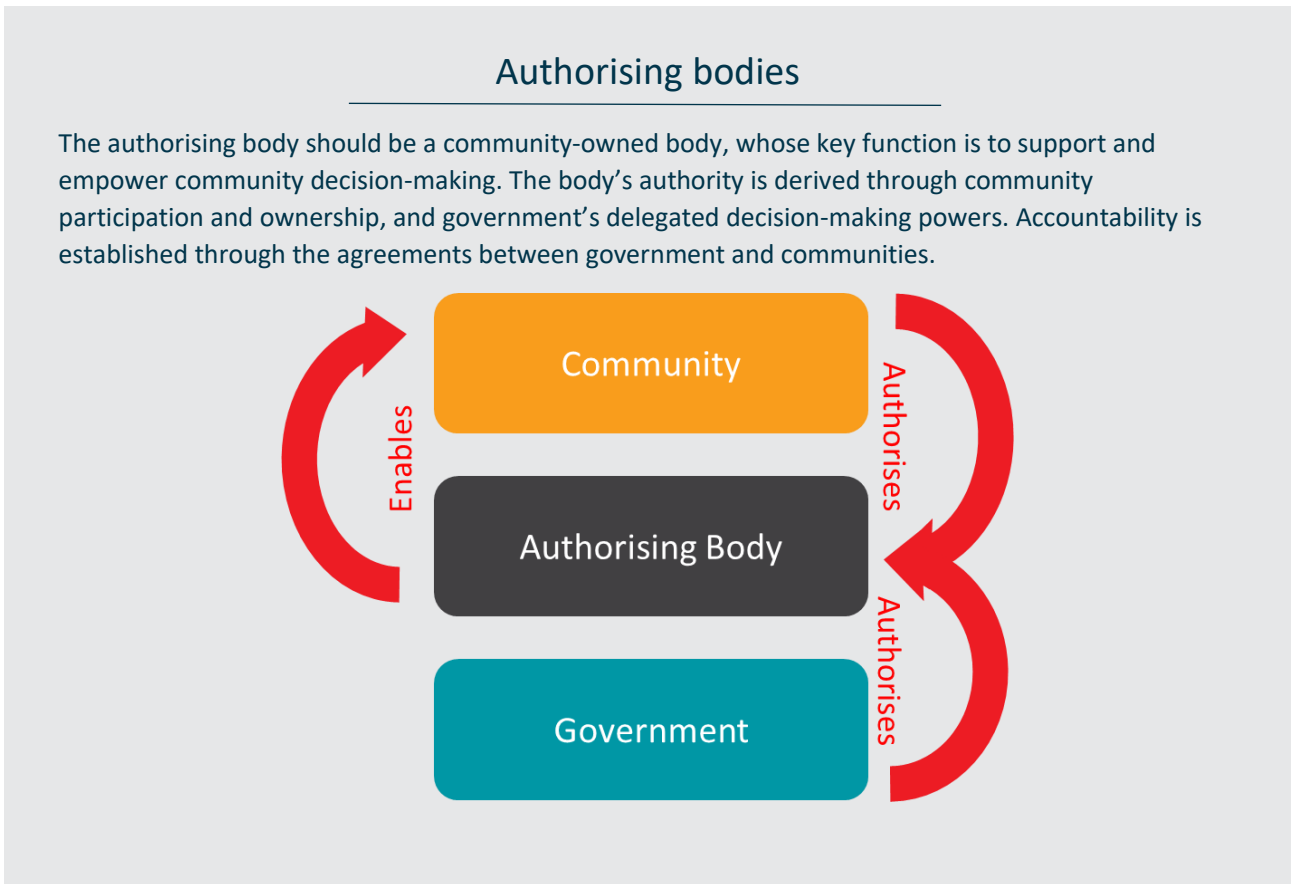
To support these changes, a reallocation of responsibilities will be required, supported by appropriate risk management.



## Changes to roles and responsibilities

Some changes to the service delivery architecture will be required to enable the transfer of decision-making and accountability to communities.

To facilitate the transfer of decision making and accountability a formal, legal entity will need to be established to enable communities to enter into agreements with government and to handle any resourcing associated with those agreements—the Commission recommends that authorising bodies be set up to undertake these functions.



The establishment of the authorising bodies must be done in a way that allows for community ownership, and may require legislative support. The authorising bodies may represent one or more communities, depending on circumstances and needs. Regardless of how they are established, authorising bodies must have the capacity to support the most efficient and effective use of resources, avoid conflicts of interest, and enable innovation (including through exposure to outside influences and ideas) and efficiency (including opportunities for cooperative or regional approaches).

Under the structural reform, the authorising bodies would perform the following functions:

- enter into formal agreements with government on behalf of their communities
- work with communities to determine resourcing needs and priorities
- negotiate government-provided mainstream service provision to ensure that community plans are adhered to and that service provision to communities is appropriate
- commission other services to support community plans
- work with service providers and government to coordinate service delivery
- collate service provider data for communities and monitor progress against plans.

Government's key role will need to shift from that of a provider/director to that of an enabler. The Queensland Government would:

- negotiate agreements with communities, including agreed principles and outcomes, funding levels and how performance will be measured
- deliver mainstream services as negotiated with communities
- maintain and develop state-wide policy and legislative frameworks.

The proposed model would fundamentally change the relationship between government, communities, and service providers. To keep the reforms on track and inform stakeholders on progress against outcomes, an independent body should be charged with reporting on:

- the progress of reforms, including progress on negotiating and implementing agreements
- whether outcomes in the communities are improving
- how well information and data are being provided and used to support improved service delivery.

The key to the structural reform is changing roles and responsibilities, not establishing more bureaucracy. Indeed, over time the structural reform should see a reduction in bureaucracy, so that scarce government and community resources can be directed to higher value uses.

In some cases, functions currently performed by government will need to move into community control. In other cases, existing bodies may perform some new functions post-reform. For example, the Torres Strait Regional Authority already assumes many of the functions of an authorising body. Oversight could be undertaken by an existing body, providing it is sufficiently independent from government.

It will be important to build on community strengths. The exercise of community decision-making needs to evolve from existing mechanisms, particularly those that provide authority to the exercise of community voice in each of the remote and discrete communities. Councils (including those in the discrete communities) will continue to have an important role to play, both as a provider of services and in the expression of community voice.

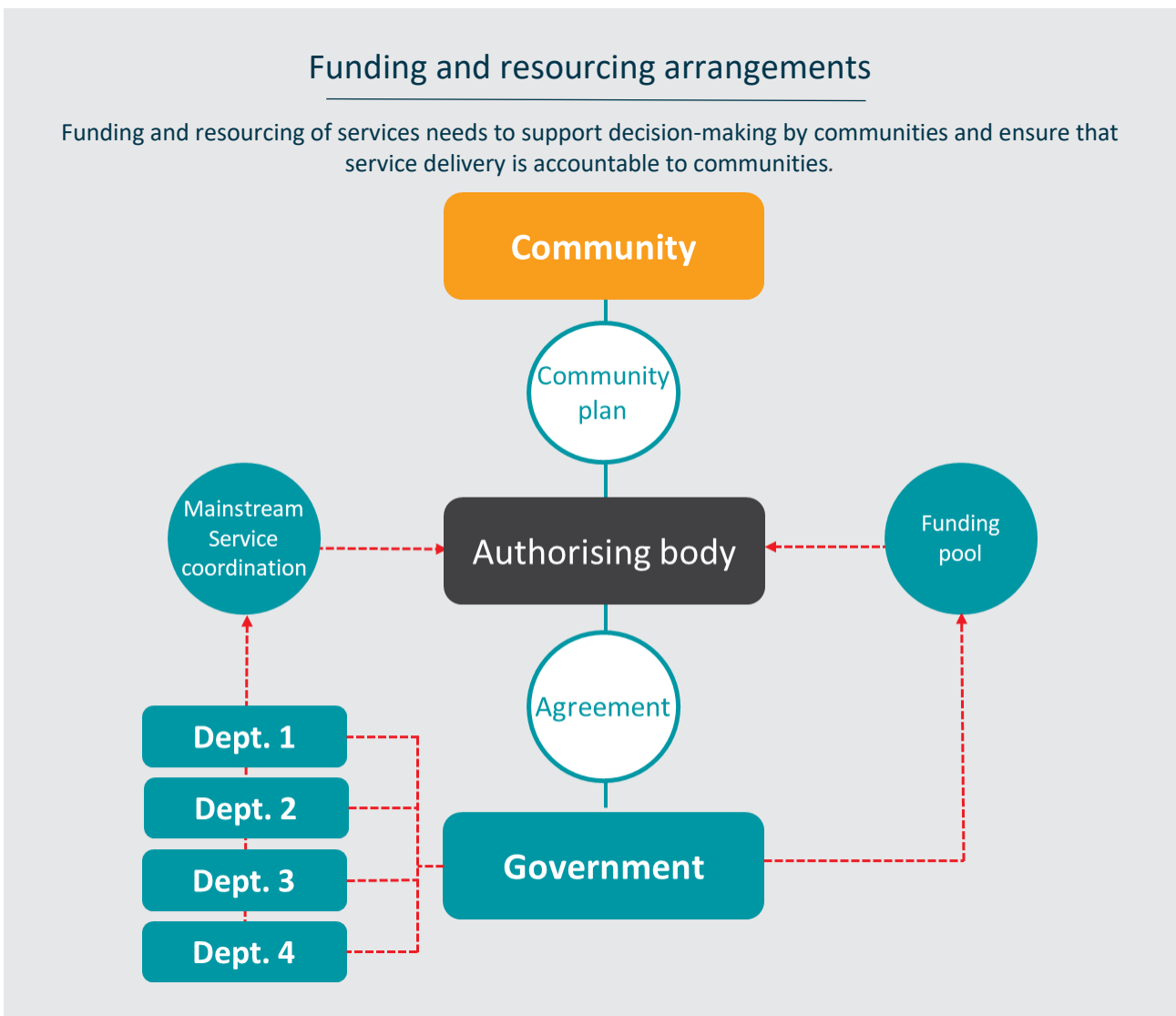
The structural reforms are consistent with current Australian Government policy to empower Indigenous communities to be more involved in service delivery and design. Moving forward, it will be important to ensure that reforms are developed and implemented in partnership with the Australian Government.

## Reforms to funding and resourcing

Under the structural reform, the delivery of government-provided mainstream services would be negotiated with communities under the agreement.

Existing grant funding should be pooled and provided on an ongoing basis, to reduce uncertainty and promote long term investment in skills and infrastructure. Decisions on how funds and resources are used to achieve the agreed outcomes would be undertaken by communities. This empowers communities to determine the best way for outcomes to be achieved.

The communities, through their authorising bodies, would take over responsibility for ensuring that those delivering services are responsive to individual needs and are held accountable if they fail to deliver. Over time, as success is demonstrated, mainstream service funding may be transferred to the funding pool.



How structural reforms are implemented will be important. Some communities and regions are likely to be ready to begin change immediately, while others will need time. Similarly, the transition of service delivery decision-making may need to be staged, with those areas most amenable transitioned first, followed by others as government and community capacity is developed.

# Reform 2 – Service delivery reform

## Policy changes to improve service delivery

Service delivery models that remove impediments to communities providing services, place people at the centre of service delivery, and fund for performance are more likely to improve outcomes. These changes can be adopted independently from, or as a complement to, the structural reform. Many build on existing successes.

The choice of policy instrument should be guided by the community's circumstances and outcomes sought, but may include the following.

**Rewards-based funding models:** such as social impact investment, can strengthen incentives for service delivery improvement, while providing the flexibility to innovate. The Social Reinvestment trial, co-designed by DATSIP and communities, and Social Benefit Bonds pilots (Queensland Treasury) are examples that might be adapted to communities' circumstances. Other reforms could focus on introducing incentives to move from welfare dependence to economic participation.

**Funder and co-purchasing roles:** reforms that shift government's involvement to the role of funder and co-purchaser rather than funder, purchaser and direct provider of services, would support community participation in service delivery and development.

**Community-based service delivery:** Aboriginal and Torres Strait Islander community controlled health organisations (ACCHOs) are a well-established, successful model of holistic service delivery. There would be merit in investigating whether the ACCHO model can be extended to other areas of service delivery.

**Pooled and flexible funding:** pooled funding provides a mechanism to allow trade-offs between alternative uses so that resources are directed to highest value uses. They better support holistic place-based approaches, as resources and program design are not constrained within agency 'silos'. Reforms such as untied grants and block funding would enable flexibility and long-term planning.

**Procurement policies and contracting:** reforms include building business capabilities to win tenders, reforming contract evaluation criteria and extending contract lengths.

In seeking to achieve value-for-money, procurement processes and contracts should prioritise attributes of the service provider that contribute to achieving the outcomes sought, including effective service provision, community engagement and governance, collaboration and coordination with existing service providers and community bodies, and employment and training of local and/or Indigenous staff.

**Case management initiatives:** more holistic assessment of the needs of individuals can improve service coordination, help to cut across agency silos, and ensure that services are more responsive to individual needs.

**Place-based approaches:** addressing problems at a local level by focusing on the collective problems of families and communities can improve community capacity and functioning. Policies can be varied and funded according to local needs, so that different approaches may be adapted in different localities.

**Demand-driven system of service delivery:** individuals and communities have greater control over the services provided compared with existing supplier-driven models of service delivery. Examples include vouchers or user accounts that allow users to choose the services that best fit their needs. A user driven model may be difficult to implement in practice, given the small size and remoteness of many of the communities, limiting the scope for competition and choice. That said, there may be some opportunities to adopt such an approach, or elements of the approach, in specific areas or for certain services.

# Reform 3 – Support for economic and community development

Service delivery can enhance or impede economic and community development. Without development, communities will find it difficult to move towards self-sustainability.

Consultations revealed a deep desire for greater economic opportunity. The reliance on government money is seen by many as creating perverse incentives which, in turn, discourage enterprise and perpetuate dependence on services delivered and funded by government. Dependence on others is the opposite of empowerment.

Economic development and employment expand the range of choices available to individuals and their families and improve economic and social outcomes.

Development will require growth in the relative importance of the private sphere as well as a shift towards greater individual and community responsibility. To achieve this, communities and government must change.

Policy thinking needs to embed an approach whereby individuals and communities are empowered to exercise initiative and pursue opportunity, and government is less of a 'service provider' and more of an 'enabler'. Government needs to withstand the temptation to 'do things' for people, when people can do those things for themselves and their families.

Consistent with this change, the government can remove barriers to economic activity and employment by:

- Getting the economic framework right to improve the incentives to invest in communities and develop human capital locally, and affect the overall balance of incentives to take risk and create wealth.
- Ensuring government procurement policies enable Indigenous businesses to participate fairly.

- Ensuring that the design of policy and services supports development, or at least does not impede it.
- Avoiding crowding out existing opportunities to provide goods and services (such as retail store ownership).
- Developing local capabilities to deliver and maintain infrastructure (for example, building roads and roads maintenance).
- Managing basic law and order effectively to ensure pre-conditions for economic participation.
- Enabling community-led solutions to overcome the perverse incentives inherent in the service delivery system.
- Working with the Australian Government to address the incentives to take up employment, including improving the linkages between income support, the tax system, employment policies and government services.

The current land administration system was identified as a key barrier to economic development, home ownership and better service delivery. There has been much progress, but significant work remains. All levels of government need to work together to develop a land tenure reform plan—one that allows for the resolution of outstanding issues including the completion of survey and title registration, statutory planning and other land administration matters.

This inquiry has only touched on many of the issues relating to economic and community development. Significant further work is required in this area.

# Monitoring, evaluation and reporting

Evaluation of how well services are working is especially important in remote and discrete Aboriginal and Torres Strait Islander communities. In many of these places, residents have little choice about the services they access, and have limited ability to influence the way services are provided—this reduces incentives for providers to improve effectiveness or efficiency.

There are practical considerations that make evaluation difficult, including difficulties establishing causality and the long timeframes that are often required to achieve meaningful change. This means that even the most well-designed evaluations can leave themselves open to interpretation based on prior opinion, philosophy or politics.

A practical and informal evaluation approach, with more relevant and timely information provided to communities, will be most effective in developing solutions that work in a local context. Communities need to be involved in monitoring and evaluation, including the design of indicators of progress that are important to them.

A primary challenge is the absence of publicly available information to evaluate expenditure levels, performance and efficiency and effectiveness of programs. The absence of information means decision-making is rarely based on informed evidence and creates a perception that resources are poorly allocated.

To address these issues, there needs to be more transparent monitoring and reporting on expenditure, performance and outcomes. This will:

- support local decision-making by providing timely, relevant and useful information to communities
- ensure there is sufficient accountability for the use of public monies
- help keep reforms on track and allow practice to be informed by successes and failures.

A best-practice evaluation framework should be adopted that provides:

- a transparent assessment of reform progress
- independent reporting of outcomes
- access to information for all stakeholders
- confidence that the evaluation and monitoring will allow adaptive practice—lessons learned from failures need to be taken on board.

Independent oversight of this framework will be required to ensure that stakeholders have confidence in the reform process and that evaluation is robust and impartial. These functions are best performed by an independent oversight body, at arm's length from stakeholders.

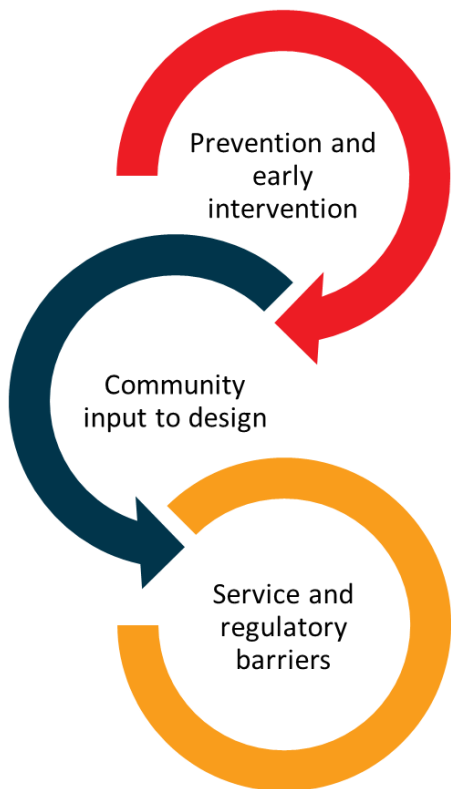
# Some service area issues

Stakeholders identified housing, community safety, education and training, health and municipal services as specific service areas that could be improved.

Common themes across these service delivery areas were the need for a greater focus on prevention and early intervention, better matching of service delivery to individual and community needs and the removal or regulatory or other barriers that impede the involvement of local residents in service delivery (Figure 5).

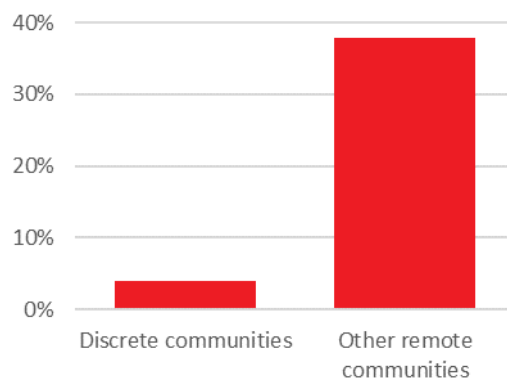
Communities need to be heavily involved in developing solutions to address these issues. Nevertheless, the Commission has identified a range of service-specific issues that require attention.

**Figure 5 Common themes for improving service delivery design**



Individuals in discrete communities remain dependent on **social housing**, despite a desire for greater home ownership options (Figure 6). There is a need to give residents in these communities more ‘skin in the game’ by increasing individual and community control over tenancy and property management and enabling innovative financing options that would increase resident responsibility and ownership of housing stock. There is also a need to remove red tape associated with construction and maintenance that impedes communities’ ability to get things done.

**Figure 6 Indigenous home ownership rates**



The delivery of **municipal services** in remote and discrete communities can be improved through changes to funding that involves longer time frames and considers infrastructure whole-of-life costs. There is also a need to build local capability and continue support for the coordination of capital works.

**Educational outcomes** in remote and discrete communities continue to lag the rest of the state. Achieving long-term gains in communities is better supported through Indigenous approaches to early childhood education and schooling, and job-focused training that aligns with employer objectives.

**Community safety** outcomes are an order of magnitude worse than in the rest of the state and are the result of high unemployment, overcrowding, alcohol misuse and the breakdown of traditional roles and norm. To break this cycle, efforts need to be focused on prevention, addressing root causes, and removing the barriers to communities exercising greater input, responsibility and participation in solving community safety issues.

Expenditure and outcomes data suggest the return on investment in prevention is high. Expenditure estimates indicate that the majority of community safety expenditure is reactive. Over 70 per cent of expenditures could be saved if the level of intensity of use were normalised in the remote and discrete communities.

Improving **health and wellbeing** in remote and discrete communities is challenging, and will require that the complex underlying issues that cause poor mental and physical health outcomes be addressed. This can be best achieved through better support for community control of health services and through holistic programs. It is also important to better join up health services, and ensure that funding arrangements support this.

## Implementation

The recommended reforms will fundamentally shift the way communities and government engage and do business. Carefully considered implementation is crucial to successfully deliver the reforms.

Beyond the reform architecture outlined above, key factors for implementation include:

- a clear commitment from the Queensland Government, with ministerial leadership to authorise and lead the reforms
- central agency management to drive whole-of-government change
- a joint community/government oversight committee to steer reforms
- an agreed implementation plan including roles, responsibilities and set timeframes
- steps to establish the reforms in legislation, policies, budget, delegations, forums, systems and processes
- ongoing, independent monitoring and reporting of progress.

Staged transition can enable early adopter communities to progress at a faster pace, while other communities are supported to build their readiness capacity. A staged approach can also allow for early wins that can be built on as experience and trust develop.

Government will need to delegate and adapt to its changing role. Departments and their representatives who are engaging with communities should have a clear understanding of community priorities, be committed to the new approach, and have sufficient delegation and authority to get things done.

Departments must be prepared to observe appropriate cultural and decision-making protocols, and to share information and data with communities. Enabling policies, funding mechanisms and methods of downward accountability will need to be in place.

### Working with the Australian Government

To maximise the effectiveness of the reforms, the Queensland Government should seek to partner with the Australian Government, including to:

- collaborate, coordinate and advise through participation in the steering committee
- provide outcomes, expenditure and services data at the community level
- streamline reporting and compliance arrangements for areas of shared responsibility
- pursue a joined-up approach through the alignment of policy, services and investment activities.

# Recommendations

*The Commission has developed recommendations as a reform package—they will work best when implemented together. The reform package includes:*

- an overarching reform proposal (recommendation 1)
- structural reforms required to embed reforms (recommendations 2 and 3)
- changes to funding and commissioning to support improved service delivery models (recommendations 4–6)
- greater support for economic development (recommendation 7–9), including for more effective use of Indigenous land holdings (recommendation 15)
- more effective and transparent monitoring and evaluation to allow adaptive practice and ensure the progress of reforms (recommendations 10–12)
- approaches for implementing the reforms (recommendations 13 and 14).

*While the Commission has not assessed all areas of service delivery, we have made recommendations regarding specific service areas based on the available evidence and issues raised by stakeholders:*

- greater support for community involvement in housing, including home ownership options (recommendation 16)
- changes to support remote and Indigenous councils to more sustainably manage assets (recommendation 17)
- key areas in human service delivery for stakeholders to progress (recommendations 18–22).

## The overarching reform proposal

### Recommendation 1

The Queensland Government should commit to a long-term reform of the governance, policy and funding of service delivery to communities. This reform should include:

- structural reform to transfer accountability and decision-making to regions and communities, reform funding and resourcing arrangements, and monitor progress through independent oversight
- service delivery reform to better focus on the needs of individuals through service delivery models that suit the circumstances
- economic reform to enable economic activity, support community development and make communities more sustainable.

Each of these reform elements must be supported by capacity and capability building for government, service providers and communities; and transparent and timely data collection and reporting to support performance and accountability.

## Structural reform

### Recommendation 2

The Queensland Government should transfer decision-making and accountability for service delivery to communities through formal agreements. These agreements should:

- specify the resourcing that will be provided to communities, including for mainstream service provision and for pooled grant funding

- provide communities with control and responsibility for service commissioning decisions
- set out the nature and delivery of government-provided mainstream services
- identify the outcomes expected to be achieved and how these will be measured
- provide communities with greater access to agency and other data
- strengthen incentives for the successful achievement of outcomes
- set out independent oversight of reforms, outcomes and agreements.

### Recommendation 3

The Queensland Government should establish community-owned authorising bodies to provide authority to local decision making by:

- enabling and supporting communities to establish community plans
- formally enacting agreements between communities and government
- actioning community decisions.

The authorising bodies must:

- have appropriate representative structures that give them the authority to represent community voice
- be able to independently manage private and public funding
- have a sufficiently clear mandate that allows for the avoidance of conflicts of interest
- have the capacity to support the most efficient and effective use of resources.

The establishment of the authorising bodies should be done in consultation with communities.

## Policy and service delivery reform

### Recommendation 4

The Queensland Government should implement policy, funding and service models that support longer-term developmental objectives and are responsive to the needs of Indigenous people, including:

- service models where individuals retain control and responsibility, for example, demand-driven models and user choice
- community-controlled service delivery
- funding reforms that provide flexibility and autonomy, such as pooled funding, untied grants, block funding and extended contract lengths, with a risk-based approach to compliance and reporting obligations
- performance- or rewards-based funding models
- place-based and case management initiatives that cut across service delivery areas
- approaches that support and enable the governance capacities of Indigenous organisations and individuals.

These instruments will apply to a wide range of service delivery, but need to be used where they are most likely to be effective.

## Recommendation 5

Where the Queensland Government contracts for service delivery, it should incorporate longer contract terms and requirements for skills transfer to communities; and evaluate bidding organisations' ability to support capability building in communities and the outcomes sought.

## Recommendation 6

The Queensland Government should continue to shift from a provider role to a funding and purchaser role. Agencies should increasingly seek to involve communities in purchasing as an active participant.

## Economic and community development

### Recommendation 7

To enable economic and community development, the Queensland Government should:

- remove impediments to Indigenous community private sector activity, including divesting itself of assets that have the potential to displace or crowd out individual or local initiative and investment opportunities, such as retail stores
- make the growth of an Indigenous private sector in and around communities an explicit objective of policy and central to designing economic development policies and service delivery programs.

### Recommendation 8

The Queensland Government should partner with the Australian Government to achieve a step-change in the incentives facing jobseekers to prepare for, seek and maintain employment. This includes investigating ways in which the income support system, and its integration with state service delivery, can be reformed to better incentivise employment and economic participation by residents in communities.

### Recommendation 9

To assist with achieving the Queensland Government's Indigenous employment target, agencies should be required to report publicly on progress in achieving the target, including their progress in preparing local Indigenous people to participate in local service delivery activities.

Reporting may cover the number of people being skilled, the number of jobs that have been transitioned to being filled by a community resident, and an estimate of the aggregate number of jobs in the community in service delivery positions filled by external employees.

Agencies should also review and report on training needs and barriers to employment resulting from increasing credentials and standards.

## Monitoring and evaluation

### Recommendation 10

The Queensland Government should establish baseline estimates of expenditures made in each of the discrete communities, and for remote regions. This should include the proportion of expenditure spent on indirect or ancillary functions.

Actual expenditures in each of the discrete communities and remote regions, including indirect or ancillary expenditures, should be estimated every two years and made publicly available to support transparency and decision-making.

## Recommendation 11

The Queensland Government should commit to an evaluation and reporting framework that supports adaptive practice, facilitates accountability and empowers communities by providing them with timely, useful and relevant information. To support this framework, the government should:

- identify the outcomes communities are interested in tracking
- improve the availability of agency and other data to support local decision-making
- work with the Australian Bureau of Statistics to extend the coverage of existing surveys such as the National Aboriginal and Torres Strait Islander Social Survey
- develop evaluation strategies with communities for any new large reforms or programs, including how the findings will be shared with stakeholders
- make evaluation reports for services it funds, either directly or indirectly, publicly available in a timely way
- ensure that existing compliance requirements are necessary and proportionate to the level of funding and risk
- streamline reporting and compliance requirements for areas of shared responsibility with the Australian Government.

The Queensland Government Statistician's Office should regularly collate and provide data to communities to support the evaluation framework.

## Recommendation 12

The Queensland Government should assign an independent body to oversee and report on the operation of the Government's evaluation framework for remote and discrete communities. The functions of the independent body should include regular, public monitoring and reporting on:

- progress of reforms to the service delivery system
- performance against the agreements between communities and government
- outcomes being achieved in communities, relative to established baseline estimates
- the extent to which compliance, monitoring and evaluation efforts are supporting innovation and improvements in service delivery.

These functions may be allocated to an existing organisation but should be established in legislation, and include appropriate expertise and Indigenous representation.

## Implementation

### Recommendation 13

To implement the reforms, the Queensland Government should:

- assign responsibility to a lead minister and central agency for implementing the reforms
- establish a joint community and government oversight committee to steer reforms
- finalise an implementation plan within six months that allows for the establishment of the Independent oversight body and authorising bodies, and provides a long-term road map for reform
- establish the reforms in legislation, policies, budget, delegations, systems and processes.

## Recommendation 14

To maximise the effectiveness of the reforms, the Queensland Government should seek to partner with the Australian Government, including to:

- provide outcomes, expenditure and services data at the community level
- streamline reporting and compliance arrangements for areas of shared responsibility
- pursue a joined-up approach by aligning policy, services and investment activities, including through the reformed service delivery framework.

As an initial step, the Queensland Government should invite the Australian Government to join the implementation oversight committee (recommendation 13).

## Land tenure

### Recommendation 15

The Queensland Government should develop a land tenure reform plan that sets out a desired land administration system, with an associated roadmap for reform and timeframes for completion. The plan should:

- facilitate the conversion of Deed of Grant in Trust (DOGIT) land in townships to Aboriginal Freehold
- better align future transfers of land tenure under the Aboriginal Land Act and Torres Strait Island Land Act with existing native title interests
- provide avenues for existing land tenure and native title interests to be consolidated or integrated to align those interests
- facilitate the use of broad-based Indigenous Land Use Agreements (ILUAs) to resolve land tenure and native title interests to allow future economic development
- support the use of master planning and statutory planning schemes to better facilitate economic development
- consider how Indigenous land holding bodies can be supported to allow better decision making
- determine where the functions to support reforms should be allocated—including whether any functions to support the land administration system should be moved to community control
- consider the changes required to sustain a functioning rates system for Indigenous councils.

The plan should be developed with stakeholders, including the Australian Government, Indigenous Councils and Indigenous land holding bodies.

The Queensland Government should also:

- complete the survey and registration of land parcels currently in use (or planned to be used) in discrete communities
- avoid the use of project-specific ILUAs
- resolve outstanding ‘Katter’ leases.

## Housing

### Recommendation 16

To provide better support for housing, the Queensland Government should:

- transition property and tenancy management to community control
- ensure that, where housing management is moved into community control, sufficient capacity is established, including funding for maintenance and tenancy management
- identify and remove unnecessary red tape from construction and maintenance practices
- revise construction and maintenance procurement policies so that they do not impede the development of private providers in the communities
- explore providing support for home ownership by offering social housing stock to long-term tenants at low or zero cost
- examine ways to increase financing for home ownership, including home ownership models that support communal land ownership.
- work with the Australian Government to finalise an agreement on funding for social housing before 30 June 2018.

## Municipal services

### Recommendation 17

The Queensland Government should revise existing arrangements to ensure that:

- infrastructure funding allows for whole-of-life costs
- asset management plans are developed for all significant assets and funded appropriately
- funding arrangements allow for the coordination of capital works to facilitate equipment sharing and avoid 'boom and bust' cycles of economic activity
- greater long-term funding certainty is provided for infrastructure funding and maintenance
- there is greater support for local management and planning of municipal infrastructure, including support for training and mentoring
- local knowledge and expertise are used during infrastructure planning and construction
- legislation and policy enables an efficient rates base in the discrete Indigenous communities.

The Queensland Government should also enable councils to share resources and explore options to develop shared capability and services.

## Human Services

Under the reform proposals, communities will determine priorities and negotiate service delivery, with government focusing on outcomes and enabling communities to determine the best way these will be achieved. Within this context, the Commission has not made recommendations about specific services, but has identified some key action areas for stakeholders to progress.

## Education and training

### Recommendation 18

All stakeholders should address opportunities to improve education and training services through:

- a greater focus on prevention, including through early childhood development and family supports, and identifying and responding to special needs
- individual and community input to priorities, design and delivery of services, addressing:
  - family, school and community preconditions for low school attendance
  - underlying barriers to retention and achievement
  - difficulties with transition and re-engagement of secondary students living remotely
  - reform of vocational education and training (VET) funding and delivery to directly align with student and industry needs, and employment opportunities.

## Community safety

### Recommendation 19

The Queensland Government should adopt a community-based approach to community safety that harnesses local resources, responsibility and capabilities. The government should:

- identify and implement opportunities for effective and efficient prevention initiatives, with specific consideration given to early childhood education and community based programs
- remove barriers to local involvement in the delivery of services, including by:
  - ensuring the requirements and processes for service delivery in communities do not impede local participation
  - ensuring that job specifications focus on outcomes required for those roles, and that screening requirements do not unnecessarily limit the participation of local community members.

### Recommendation 20

In responding to the reviews of the blue card and foster care systems, the Queensland Government should:

- demonstrate that the safety benefits from any additional standards outweigh the associated costs and impacts
- prioritise the following aspects of the Aboriginal and Torres Strait Islander strategy outlined by the QFCC Blue Card review:
  - the provision of, and funding for, community based support for Working with Children Checks
  - the development of a role for local community organisations in the approval process for blue cards.

The future statutory review recommended by the QFCC should include an overall assessment of the costs and benefits of the blue card scheme against alternative options.

## Recommendation 21

The Queensland Government should finalise the review of Alcohol Management Plans (AMPs) as a priority, with a focus on:

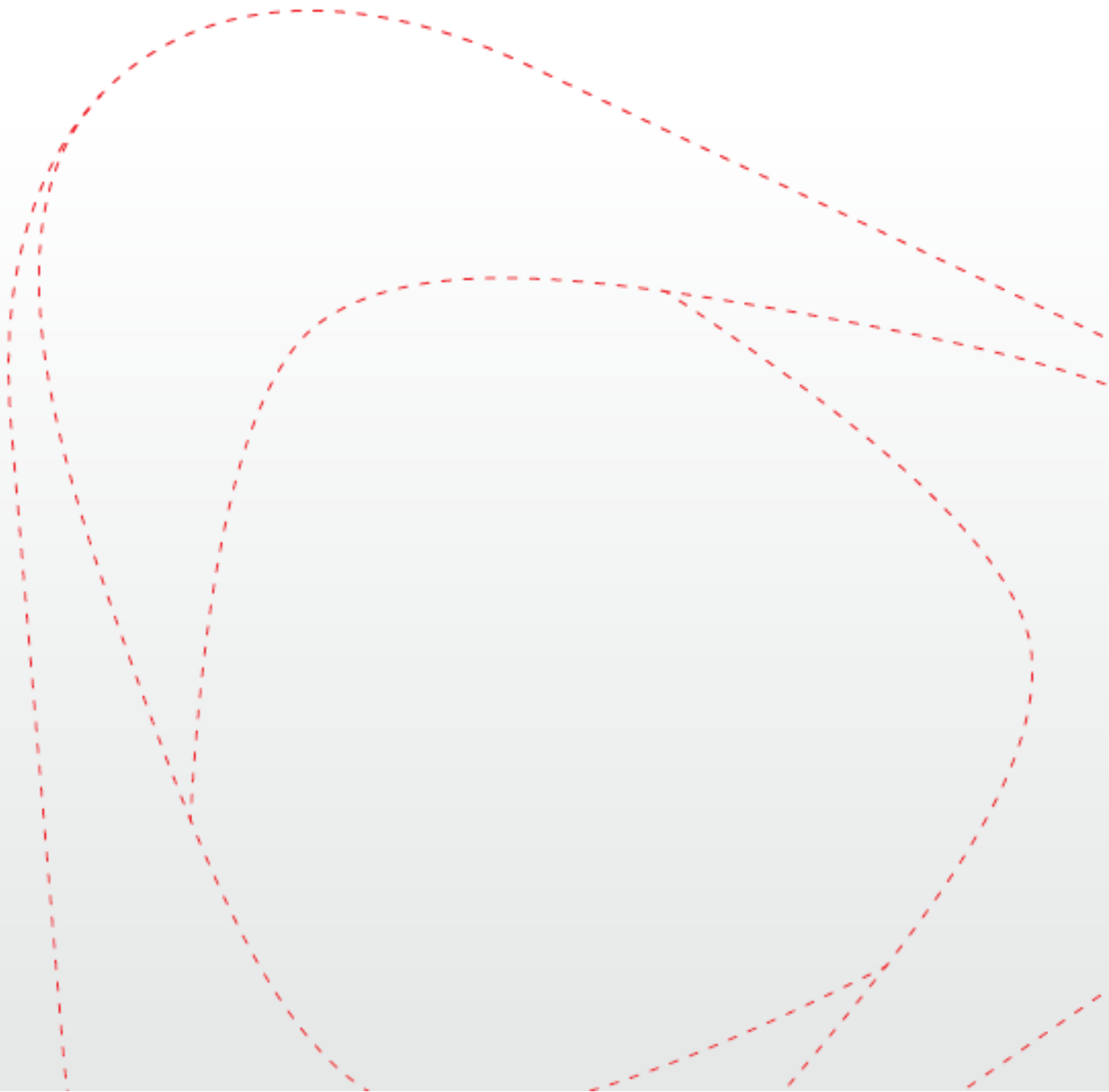
- the overall effectiveness and efficiency of AMPs (including whether their costs outweigh their benefits)
- devolving control of AMPs to communities
- supporting community decision making with timely information through which communities can measure the effectiveness of their strategies.

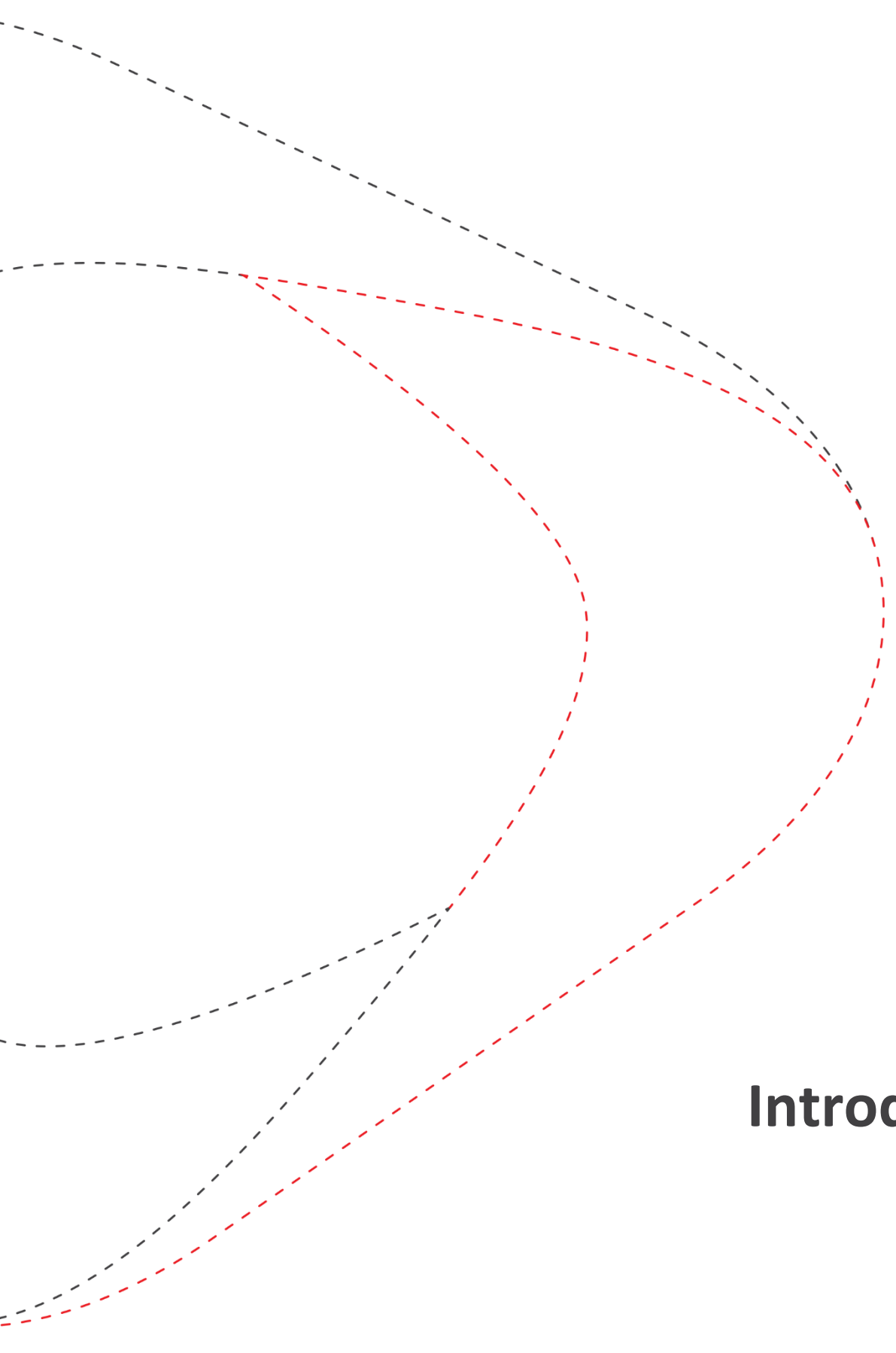
## Health and wellbeing

### Recommendation 22

All stakeholders should address opportunities to improve health and wellbeing services through:

- a greater focus on prevention and early intervention, including strategies to address: socioeconomic determinants of health, suicide, Foetal Alcohol Syndrome Disorder and disabilities
- individual and community input to prioritise, design and deliver services, based on data-informed community health assessments to address:
  - accessibility, cultural appropriateness and effectiveness
  - attraction and retention of an effective health workforce, including growing and supporting the Aboriginal and Torres Strait Islander health workforce
  - better integration of services through increased collaboration with non-government health service providers (particularly Aboriginal Community Controlled Health Organisations (ACCHOs)) and improved transition care arrangements
  - improved pathways and access to mental health and substance services
  - gaps in responses to suicide, disabilities and Foetal Alcohol Syndrome Disorder.





# 1.0 Introduction

*In December 2016, the Queensland Productivity Commission was asked to examine how the resources devoted to service delivery in remote and discrete Aboriginal and Torres Strait Island communities can be best used to meet the needs of those communities.*

*This final report sets out the Commission's key findings and recommendations and proposes a reform agenda—through structural, service delivery and economic reform—that puts communities at the centre of the service delivery system, focuses on performance and is supported by effective capacity and capability building.*

## **1.1 What has the Commission been asked to do?**

Around 40,100 Indigenous Queenslanders live in remote and discrete Aboriginal and Torres Strait Islander communities (Queensland Government Statistician's Office 2016).

Investments by government, the private sector and not-for-profit organisations significantly affect the lives of people living in these communities. The Queensland Government plays a central role, setting policies, and delivering programs and services across areas such as child and family services, health, education and training, employment, housing, community safety, native title, and land management.

Many innovative and successful programs have been implemented by, and for, these communities; but the outcomes for some programs and services are not meeting the expectations of communities, service providers, government, or the community more broadly.

In this context, the Commission was asked to undertake an inquiry into service delivery in Queensland's remote and discrete communities and investigate and report on:

- levels and patterns of government investment and how these change over time
- interactions between investments made by all levels of government, non-government organisations and third party service providers
- the range and nature of service delivery programs and whether there is duplication or a lack of coordination
- best practice approaches for evaluating the effectiveness and efficiency of service delivery
- an evaluation of the design and delivery of existing government services
- investment practices and/or services and programs that are likely to be most effective in improving outcomes for remote and discrete Indigenous communities
- comparisons with other jurisdictions
- recommendations to improve the effectiveness and efficiency of Queensland Government investments and services in achieving social, cultural, economic and environmental outcomes in remote and discrete Aboriginal and Torres Strait Islander communities.

The full terms of reference are available in Appendix A.

## 1.2 Our approach

This inquiry examines government investments in services delivered to remote and discrete communities to identify what works well, and why, with a view to improving outcomes for Aboriginal and Torres Strait Islander people. The scope of the inquiry is broad and it comes after a long (and ongoing) succession of inquiries, reviews and reports on Indigenous disadvantage.

It was not feasible to provide an in-depth assessment of every policy or program, or replicate other reviews. Reflecting this, the Commission focused on:

- the overarching policy, governance and funding frameworks that apply across all services—but examined service delivery in core service areas in more detail to build an evidence base for what does and does not work
- Queensland Government policy and expenditure—but examined Australian and local government activities where they interact with the investment and objectives of the Queensland Government, and for lessons learned.

Within this context, the key components of the Commission's approach are to:

- estimate expenditure on services (through an aggregate level of expenditure supported by case studies of expenditure/service levels in two communities)
- identify the best framework for service delivery—policy, governance and funding—to support the achievement of outcomes
- identify the key directions for policy and service reform
- review impediments to economic and community development
- determine how to shift evaluation efforts beyond compliance reporting to support service delivery improvements, policy learning and accountability
- identify the key elements of effective implementation to successfully transition and drive the new service delivery framework.

The Commission was guided by the principles underpinning the *Queensland Productivity Commission Act 2015*, which focus on productivity, economic growth and improving the living standards of Queenslanders. In considering factors and making assessments, it adopted a community-wide view that extends beyond the interests of particular individuals or groups.

## 1.3 Consultation

The Commission operates a public inquiry model, underpinned by open and transparent consultation, which seeks to provide all interested parties with a range of opportunities to contribute. Consultation for this inquiry was conducted in three phases:

- Phase 1—December 2016 to March 2017: inform stakeholders about the inquiry and how to get involved, and include them in determining inquiry scope.
- Phase 2—April to June 2017: identify issues and inform the findings and recommendations of the draft report.
- Phase 3—November 2017: test the findings and recommendations of the draft report and gather further views and evidence from stakeholders.

Consultation with stakeholders took on various forms:

- meeting with over 500 stakeholders—Indigenous leaders, community members, Indigenous and non-Indigenous councils, businesses, service providers, peak bodies, advocacy groups, academic experts, government departments
- community visits to Aurukun, Cherbourg, Doomadgee, Hope Vale, Kowanyama, Lockhart River, Mornington Island, Mossman Gorge, Palm Island, Torres Strait, Woorabinda, Burketown and Yarrabah
- roundtable discussions in Brisbane, Cairns, Cherbourg, Mt Isa, Palm Island and Torres Strait
- 50 written submissions—29 in response to the consultation paper and 21 in response to the draft report.

The full list of submissions and participants is included in Appendix B. A summary of the views and feedback we received is provided in the separate Consultation Summary Report.

The Commission would like to thank all individuals, organisations and communities for providing their views and participating in the consultation process.

## 1.4 Report structure

The recommendations in this report present a new architecture within which service delivery can be reorganised and reprioritised. The Commission has also identified service delivery improvements across several areas.

The report is set out as follows:

### **Part A — Service delivery: background and assessment**

*Chapter two* outlines a short history of Queensland’s remote and discrete communities and the current service delivery environment.

*Chapter three* provides an analysis of the level and pattern of Queensland Government expenditure in the communities.

*Chapter four* considers outcomes in remote and discrete communities over time and in comparison with other communities.

*Chapter five* provides an overall assessment of the performance of government policies at a broad level, and why policies fail.

### **Part B — The way forward**

*Chapter six* is an overview of the reforms, describing the nature of the proposal and key components.

*Chapter seven* outlines the structural changes to roles and responsibilities in the reform.

*Chapter eight* identifies the direction for policy reform and improvements to the service commissioning cycle.

*Chapter nine* considers the role of economic development and what can be done to facilitate employment and growth in communities.

*Chapter ten* outlines a monitoring and evaluation framework and its role in supporting the reform proposal.

*Chapter eleven* sets out some practical matters that will need to be considered to implement enduring reform.

### **Part C — Key service delivery issues**

*Chapter twelve* considers land tenure, use and administration issues.

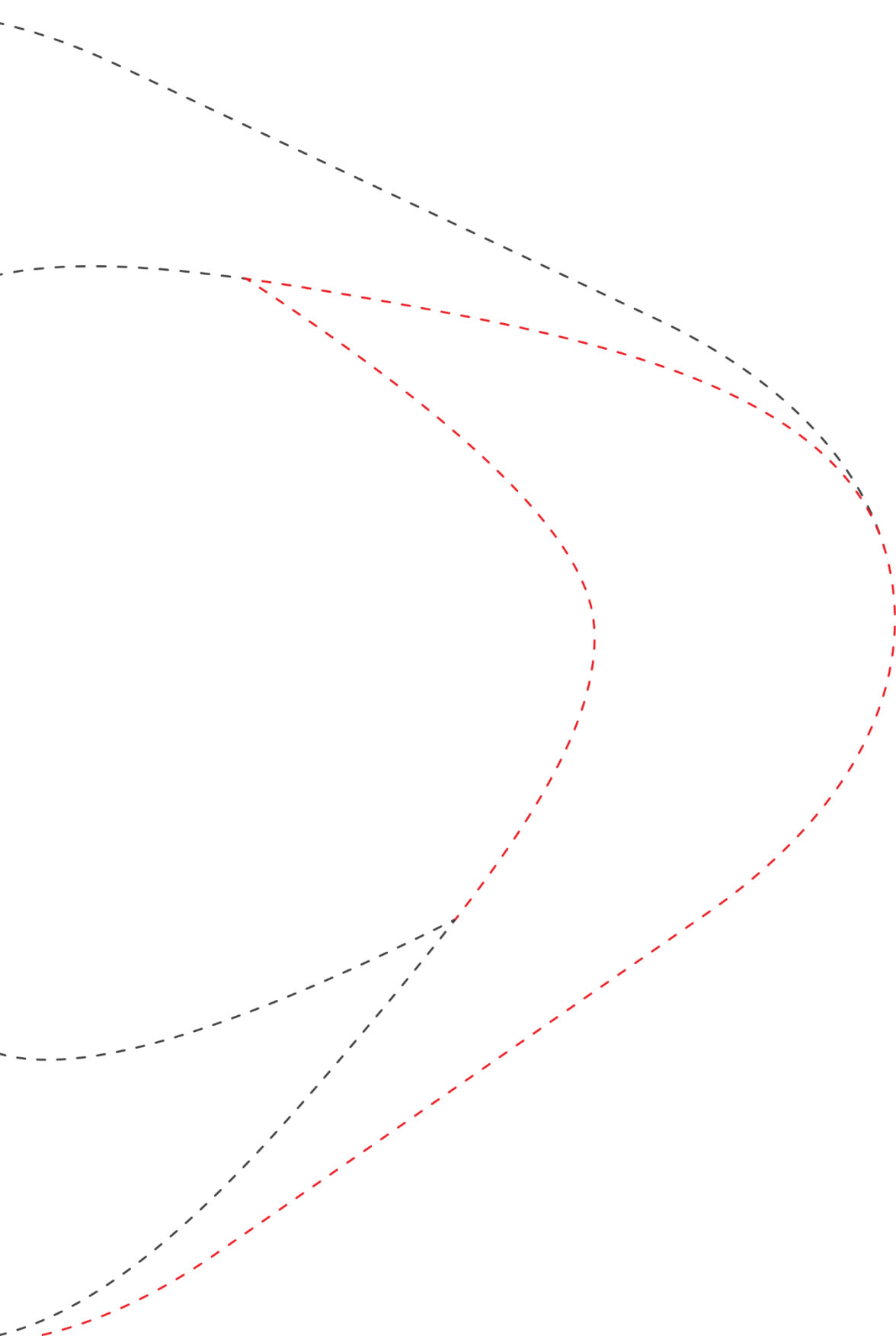
*Chapter thirteen* assesses issues around the ownership, construction and maintenance of the housing stock, and possible reforms.

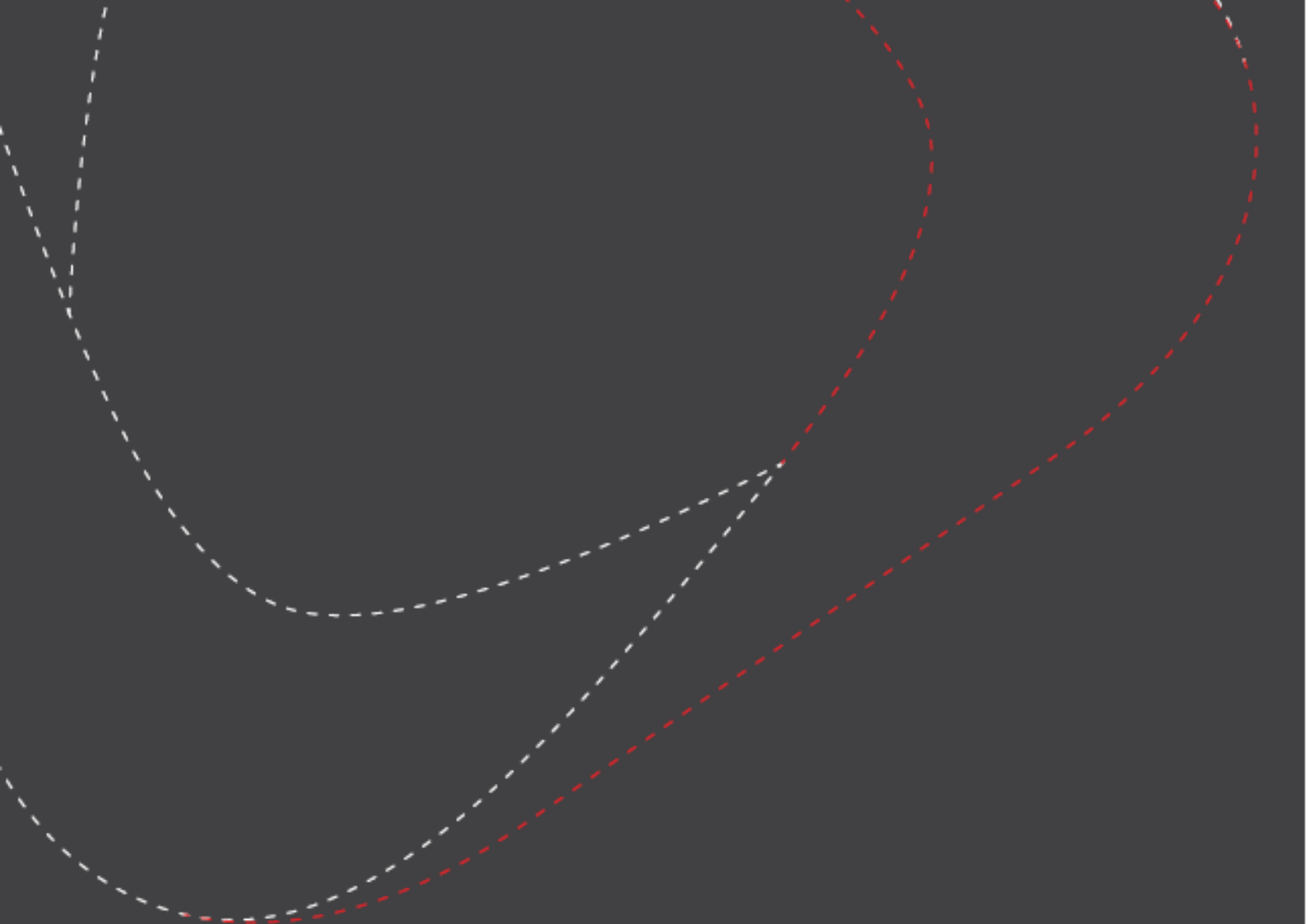
*Chapter fourteen* outlines the role of municipal services and infrastructure, and considers possible funding models.

*Chapter fifteen* surveys education and training issues, focusing on significant issues impacting the communities.

*Chapter sixteen* considers issues related to community safety, including the role of prevention and reaction services, alcohol management plans, and community involvement.

*Chapter seventeen* provides an overview of health and wellbeing in the communities, and examines some key service delivery issues influencing health outcomes.



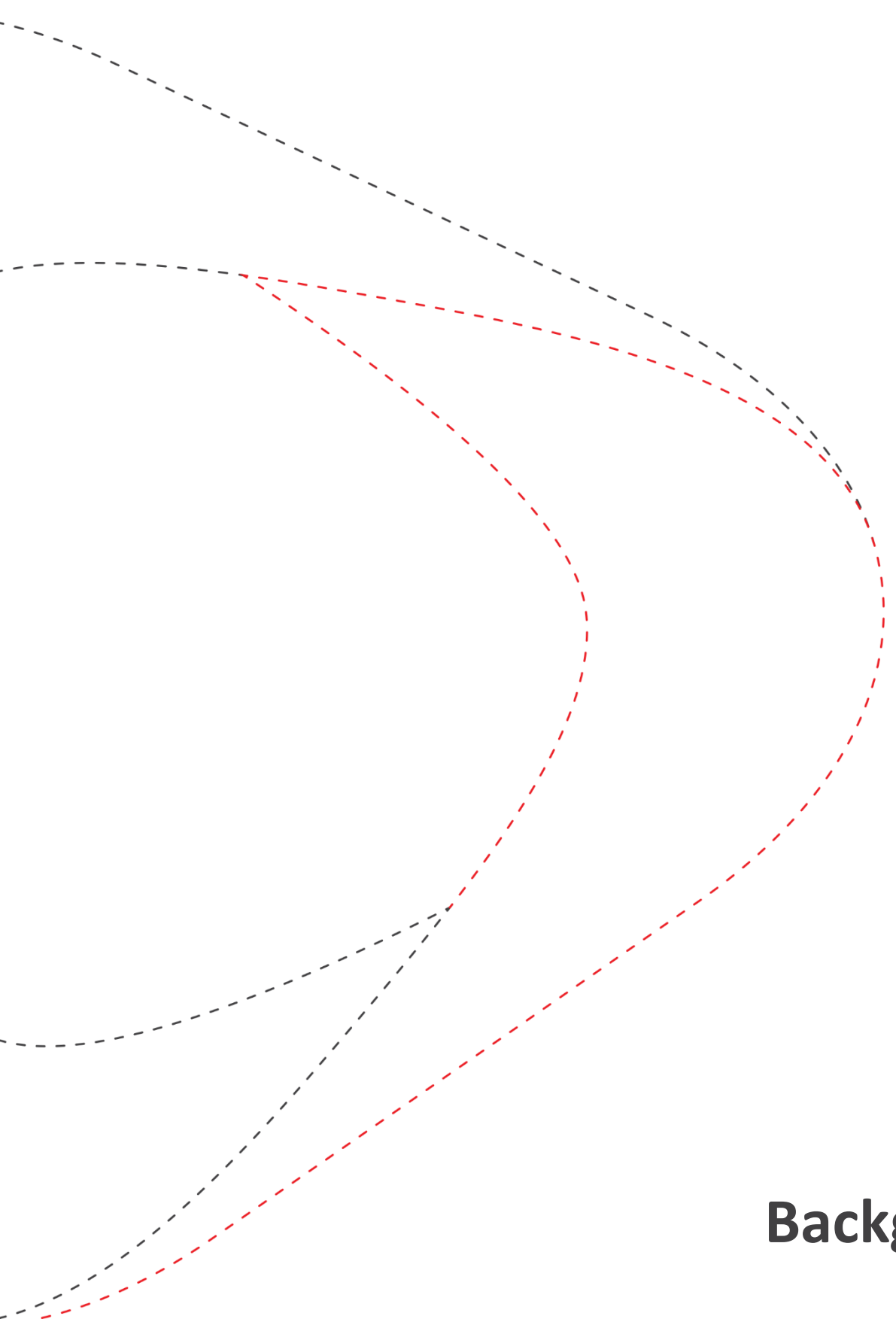


**Part A: Background and assessment**

## **Part A of the report provides the background for the inquiry**

Part A is set out as follows:

- Chapter two outlines a short history of Queensland's remote and discrete communities and the current service delivery environment.
- Chapter three provides an analysis of the level and pattern of Queensland Government expenditure in the communities.
- Chapter four considers outcomes in remote and discrete communities over time and in comparison with other communities.
- Chapter five provides an overall assessment of the performance of government policies at a broad level, and why policies fail.



# 2.0 Background

*The service delivery environment in remote and discrete Aboriginal and Torres Strait Islander communities is a product of legacy factors and current governance and commissioning arrangements.*

*This chapter provides an overview of these issues and outlines the current architecture for service delivery.*

## Key points

- A range of legacy factors impact on outcomes and opportunities in communities.
- Most discrete communities are former missions, located without consideration of traditional Aboriginal land areas or economic viability. Many of the missions and reserves, and several Torres Strait Islands, were granted to the communities in the mid-1980s. Aboriginal shire councils and Island councils obtained powers associated with local governments in 2005–07. Today, around 40,000 Aboriginal and Torres Strait Islander peoples live in the remote and discrete communities.
- Numerous reviews and several Royal Commissions have investigated issues facing Aboriginal and Torres Strait Islanders. Recommendations have consistently centred on empowerment and self-determination of Indigenous peoples, and the need to address socioeconomic determinants.
- Services are delivered via a complex system overlapping all three levels of government, non-government organisations and a well-established Indigenous organisational sector. All levels of government make policies, fund and deliver services that impact on outcomes in the communities.
- Government funding and commissioning dominate service delivery, with implications for how services are delivered and the fiscal sustainability of Indigenous organisations and communities. Most services are delivered by government and mainstream non-government organisations.
- Indigenous councils provide municipal, social and other services to their communities. Other key Indigenous organisations include the Torres Strait Island Regional Authority, Aboriginal Community Controlled Health Organisations, community justice groups, land councils, native title representative bodies and the Cape York Partnership.

## 2.1 The remote and discrete communities

*Remote communities* are those communities within the area defined as ‘remote’ or ‘very remote’ under the Australian Bureau of Statistics’ Standard Geographical Classification Remoteness Structure (Appendix D).

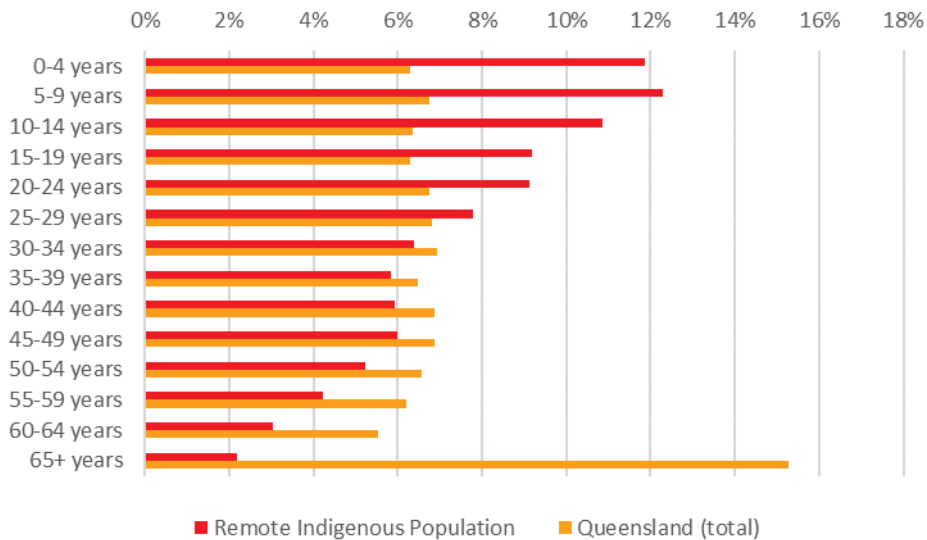
*Discrete communities* are bounded geographical locations inhabited predominantly by Aboriginal and Torres Strait Islander people with housing or infrastructure owned or managed on a community basis (AIHW 2016)<sup>2</sup> (Appendix E).

Around 40,000 Aboriginal and Torres Strait Islander peoples live in remote or very remote parts of the state. This includes over 22,000 living in mainland discrete communities and 7,000 in the Torres Strait (QGSO 2016a). The remainder live in other remote areas, mainly in townships.

According to the 2016 Census, 27 per cent of Queensland’s remote population is Aboriginal or Torres Strait Islander. This percentage increases to 85 per cent in the Torres Strait and 93 per cent in mainland discrete communities (ABS 2016a).

The population of communities is significantly younger than the rest of Queensland, with over half the population under the age of 25 (Figure 2). Communities experience a significantly lower rate of population growth than Queensland overall. The Queensland Government population projections estimate that Queensland’s population will increase by 51 per cent from 2011 to 2036, whereas Queensland’s discrete communities will increase by 24 per cent in the same timeframe (QGSO 2015).

**Figure 2 Age distribution of Queensland’s remote Indigenous population, 2016**



Source: ABS 2016a.

## 2.2 Historical context

Many of the outcomes and challenges faced by remote and discrete Aboriginal and Torres Strait Islander communities continue to be influenced by past government policies and other historical factors. Table 1 provides a brief timeline of events relating to Aboriginal and Torres Strait Islanders in Queensland.

<sup>2</sup> The Queensland Government definition of an Indigenous discrete communities differs in that the community lies on land held as a deed of grant in trust (DOGIT).

**Table 1 Timeline of key events relating to Indigenous Queensland, 1770–recent**

Date	Event
1770	Start of colonisation. Estimated Aboriginal population in Australia 750,000.
1800–	Frequent contact of coastal clans with maritime traffic inside Barrier Reef and Torres Strait. Moreton Bay convict settlement confined to its immediate hinterland.
1840–	Rapid pastoral push into Queensland. By 1870 most easily accessible grazing land was stocked with sheep or cattle. ‘Border wars’ with Aboriginal peoples.
	Small camps of Aboriginal people were established on the outskirts of towns and curfews against Aboriginal people were imposed.
1865	First legal removal of Aboriginal children under <i>the Industrial and Reformatory Schools Act 1865</i> .
1879	The Torres Strait Islands were made part of Queensland by the Colonial Parliament without consultation with Torres Strait Islander people.
1885	The <i>Queensland Elections Act 1885</i> specifically excluded ‘Aboriginal natives’ from voting.
1897	The <i>Aboriginal Protection and Restriction of the Sale of Opium Act 1897</i> (Qld) (Protection Act) made Aboriginal people wards of the state, removing freedoms in relation to movement and labour, custody of their children and control over personal property.
	Reserves created where Aboriginal people could be forcibly relocated by government. Reserve locations ignored traditional Aboriginal land areas and were often chosen based on land considered not suitable for cattle raising.
1901	Federation. The Commonwealth Constitution stated: ‘in reckoning the numbers of people ... Aboriginal natives shall not be counted’. States retained their power over Aboriginal Affairs.
	States continued policy of removing children from their families.
1904	Torres Strait Islanders brought under the Protection Act. Torres Strait Islanders owned the largest pearling fleet in the north, marketing products through the Native Trading Station and Branch stores.
1920	Aboriginal population of Australia estimated to be 60,000.
1939	New legislation. Unlike the <i>Aboriginal Act 1939</i> (Qld), the <i>Torres Strait Islander Act 1939</i> gave constitutional effect to a system of self-government.
1948	The <i>Citizenship and Nationality Act 1948</i> gave ‘Australian citizenship’ to all Australians. However, Aboriginal people still suffered legal discrimination at the state level.
1962	Electoral Act amendments gave the vote to all Aboriginal people in federal elections.

Date	Event
1963	Police evicted residents at Mapoon, Queensland. People were taken to other reserves and their settlement was burned down to allow mining by Comalco.
1965	The <i>Aboriginal and Torres Strait Islanders' Affairs Act 1965</i> (Qld) (assimilation law) gave the Director of Aboriginal Affairs considerable power over 'assisted' Aboriginal people.
1967	The Commonwealth Referendum passed. All Aboriginal people are counted in the national census, and the Federal Government can legislate for Aboriginal people in the states.
1971	The 1965 assimilation law was replaced with the <i>Aborigines Act 1971</i> (Qld) and the <i>Torres Strait Islanders Act 1971</i> (Qld). Both these laws abolished the Director's power to remove children.
1984	Aboriginal Child Placement Principle adopted (Qld)—an Indigenous family must be the preferred placement for an Indigenous child in need of alternative care.
	<i>Community Services (Aborigines) Act</i> and <i>Community Services (Torres Strait) Act 1984</i> (Qld)— Indigenous councils responsible for supply of town and social services.
1991	<i>Aboriginal Land Act 1991</i> and <i>Torres Strait Islander Act 1991</i> provided for Indigenous land rights in Queensland.
1992	Native title was first recognised by the High Court in the Mabo case.
	The <i>Legislative Standards Act 1992</i> (Qld) required that legislation has 'sufficient regard to Aboriginal tradition and Island custom'.
1994	The Torres Strait Regional Authority (TSRA) was established.
1999	The Parliament of Queensland apologised to Aboriginal and Torres Strait Islander people in Queensland for the past separation of children from their families.
2002	First alcohol management implemented in partnership with the Aurukun community.
2008	National Apology to the Stolen Generations.
	The Council of Australian Governments entered the National Indigenous Reform Agreement, focused on closing the gaps in health, education and employment.
2009	Australian Government endorsed the United Nations Declaration of the Rights of Indigenous Peoples, which includes the right to self-determination, and that states shall take effective measures to ensure continuing improvement of their economic and social conditions.
2010–	The <i>Constitution (Preamble) Amendment Act 2010</i> (Qld) inserted a preamble into the <i>Constitution of Queensland 2001</i> , recognising Queensland's Indigenous peoples.
	Despite governments' attempts to close the gaps, poorer outcomes for Indigenous people prevail.

Source: *Australian Museum 2015; Queensland Parliament 2015, 1992; RQI 2008; UN 2008; Myvill 1991.*

Most discrete communities in Queensland are former missions established on land gazetted as reserves under the Protection Act. Historical accounts of missions suggest they were underfunded and overcrowded. Indigenous cultural activities and languages were actively discouraged and men, women and children were often housed in separate dormitories. Education was poor—for many years schooling did not extend beyond Year 4, and was focused on training for station work (males) and domestic work (females) (Wyvill 1991, p. 18).

There was little basis for economic development in the discrete communities. The traditional owners' economic system was extinguished when they were removed from their lands and located to the reserves. Lacking autonomy and access to capital, and having few employment opportunities, the Indigenous residents were caught in a system of control, repression and passive welfare (Hughes 2005, p. 1; Sutton 2001, p. 128).

The only legal mechanism by which Indigenous Queenslanders could live independently away from reserves or missions was through acquiring an 'Exemption Certificate' issued by the Chief Protector, introduced originally in section 33 of the Protection Act. Obtaining an exemption certificate required the severing of all ties with Aboriginal kinship and culture, including connections with country, under threat of revocation by the State. The exemption system operated in Queensland until 1965.

In 1966, Aboriginal councils were established by regulation that gave communities limited government powers. An Aboriginal Advisory Council and an Island Advisory Council, composed of chairs from the Aboriginal and Island councils, were established by the *Aborigines Act 1971* and the *Torres Strait Islanders Act 1971*, to advise the responsible Minister on matters relating to Aboriginal and Islander affairs.

In 1982, the *Land Act (Aboriginal and Islander Land Grants) Amendment Act 1982* was passed enabling government to grant land in trust to Aboriginal and Torres Strait Islander peoples. This allowed reserves and islands held by the State to be transferred to Aboriginal and Torres Strait Islander Councils under a Deed of Grant in Trust (DOGIT). Ownership of homes in discrete communities was first enabled in 2008.

From January 2015, new rules gave communities the option to convert some of their communal lands to freehold. Conversion of land to freehold provides ownership rights to the land, including the ability to sell, lease or use the land as security to borrow against (DATSIP 2016a; Frankland 1994; Queensland Government 2016; State Library of Queensland 2016).

## Key inquiries and government policy changes

Many reviews and several Royal Commissions have investigated issues facing Aboriginal and Torres Strait Islanders. Recommendations have consistently highlighted the need for empowerment and self-determination of Indigenous peoples, and the need to address socioeconomic determinants. Four key inquiries and an economic modelling report (outlined in Box 2.1), illustrate consistent findings over the past three decades.

## Box 2.1 Some key inquiries and reviews

The Royal Commission into Aboriginal Deaths in Custody was established in 1987 to report on the social, cultural and legal issues behind the deaths in custody and the underlying effects of dispossession, colonisation and institutional racism on Aboriginal peoples. It found that the deaths were due to the police and prisons failing their duty of care, combined with the high numbers of Indigenous people being arrested and incarcerated. Of the 339 recommendations, approximately 40 per cent concerned social factors including housing, self-determination, land rights, reconciliation, health, employment, alcohol, education, youth policy and employment—setting the foundations for ‘Close the Gap’ efforts (Haughton 2016; RCADIC 1991).

In 1997, the Human Rights and Equal Opportunity Commission reported on the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from Their Families. Key findings were that ‘the laws, policies and practices which separated Indigenous children from their families have contributed directly to the alienation of Indigenous societies today’; lives have been permanently scarred; and ‘the harm continues in later generations’ (HREOC 1997, p. 4).

In 2001, the Queensland Government commissioned the Cape York Justice Study (Fitzgerald Report), to examine the causes, nature and extent of breaches of the law in the Cape York Indigenous communities. Fitzgerald identified an urgent need for a negotiated partnership approach to better support the many positive initiatives already well developed in the communities. A coordination unit was recommended, to empower communities’ greater ownership and control of their initiatives by providing a central focus for best practice protocols and coordination of Cape-wide funding arrangements. Another key recommendation was the development of ‘Community Action Plans’ by each community, to facilitate participation in implementing proactive strategies to overcome chronic problems at a community level (Fitzgerald 2001).

The Northern Territory report of the Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse (2007) found that the incidence of child sexual abuse, whether in Aboriginal or ‘mainstream’ communities, is often directly related to other breakdowns in society. It recommended addressing poor health, housing and education; alcohol and drug abuse; and general disempowerment to set communities on a path to recovery (Wild & Anderson 2007, p. 6).

Economic modelling in the *Indigenous incarceration: Unlock the facts report* (PwC 2017) highlighted that high rates of Indigenous incarcerations has a heavy impact on individuals, families, communities, and the Australian economy (\$7.9 billion per year). Systemic change was recommended—self-determination, system reform, law reform and increased community awareness—to underpin initiatives and responses, particularly initiatives controlled and led by the Indigenous community.

## Response to the Cape York Justice Study

The Queensland Government responded to the Fitzgerald Report in 2002 with the Meeting Challenges, Making Choices policy. Cape York Partnerships (CYP) was established as a model for government and community interaction in the Cape. The focus of the government was to act as facilitator of capacity building and providing targeted assistance, the nature of which was to be determined at the community level in community plans. Government services were to be aligned with communities’ priorities identified in plans, and negotiated decision-making would be undertaken through mechanisms such as Negotiation Tables (Spence 2003).

## Negotiation Tables

The Negotiation Tables were intended as a forum where Aboriginal and Torres Strait Islander community representatives could directly influence government decision-making, and improve government's responsiveness to communities' needs through better coordination between agencies and jurisdictions. Negotiation Tables were established across the discrete communities and communities with large Indigenous populations. The focus of each Negotiation Table reflected priorities identified by the relevant communities and government, and invitees included representatives from the community, council, and Queensland and Australian governments. The Negotiation Tables emphasised mutual planning and goal setting, responsibility, accountability and ownership of agreed outcomes as outlined in a community or regional action plan (Spence 2003, pp. 7–8).

Community members volunteered to represent their community at the Negotiation Tables.

*Through the Negotiation Table process and my position as a community co-chair I am able to work closely with my community and government organisations via a collaborative arrangement. The process allows the community to highlight priority areas of concern to government organisations and address them in an open forum where agreements to potential resolutions are finalised.*  
(Saunders 2017)

Relevant data was made available to communities to inform planning and negotiations.

## CEO Champions program

The CEO Champions program was initiated to complement the partnership approach. Mainland Indigenous communities were provided a direct link to an allocated Queensland Government department Chief Executive (CEO). The CEO would visit 'their' community and meet with community members at least twice a year, while also being available to advocate on the community's behalf in Brisbane.

The Negotiation Tables and CEO Champions program ceased in 2012.

A new Government Champions program commenced in 2016, involving both CEO and Ministerial Champions.

## Cape York Welfare Reform

In 2008, the Queensland and Australian governments partnered with the Cape York Institute and the communities of Aurukun, Coen, Hope Vale and Mossman Gorge to implement the Cape York Welfare Reform trial. In 2014, Queensland extended the program to the Gulf of Carpentaria community of Doomadgee and renamed the trial the Welfare Reform program. Objectives of the Welfare Reform are to restore positive social norms and re-establish local Indigenous authority, change behaviour in response to chronic levels of welfare dependence and economic exclusion, and encourage social responsibility, home ownership and participation in the real economy.

The *Family Responsibilities Commission Act 2008* established the Family Responsibilities Commission (FRC) as an independent statutory authority. The FRC is a key mechanism of the Welfare Reform to facilitate the rebuilding of intra-community social norms and encourage behavioural change. Local Commissioners—respected Aboriginal and Torres Strait Islander community members—encourage community members to voluntarily attend services, such as drug and alcohol rehabilitation. If behaviour does not improve, the FRC can order welfare payments to be subject to income management orders. Indigenous and non-Indigenous people living in the Welfare Reform communities and receiving welfare or community employment program payments are subject to the FRC's jurisdiction (FRC n.d.).

At the time of writing this report, the Queensland and Australian governments continue to support the Welfare Reform program, noting the Australian Government has invested in and is moving towards a new model of funding through the Empowered Communities initiative.

## 2.3 The service delivery environment

Service delivery involves the Australian, Queensland and local governments, non-government organisations (NGOs) and a well-established Indigenous sector. This section provides an overview of Queensland Government agency roles, and describes the responsibilities of governments and Indigenous organisations for policy, funding and delivery of services.

### Queensland government agencies

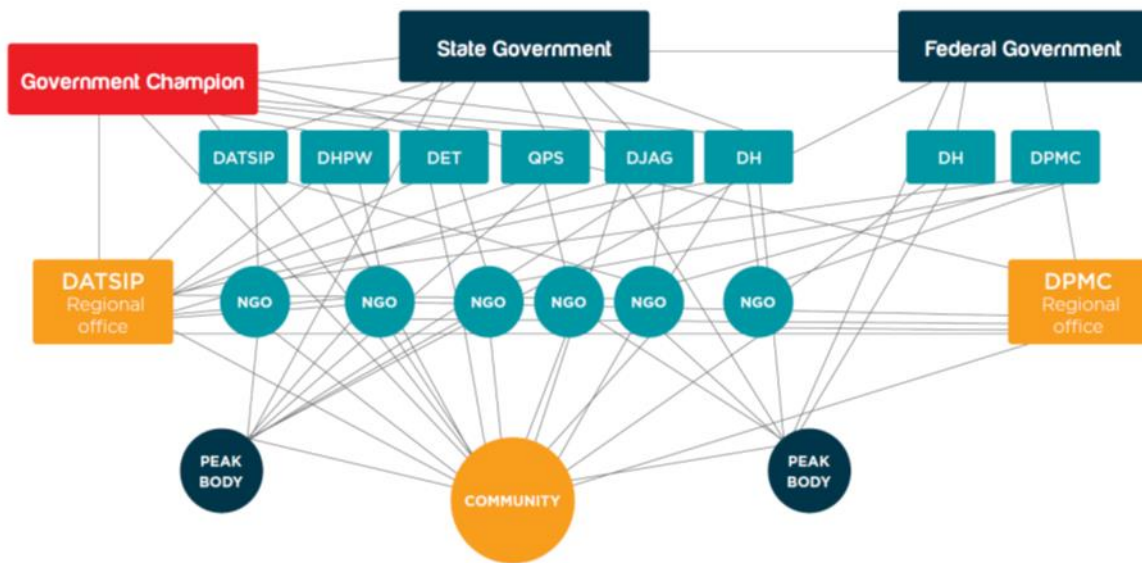
For any single community, at least 13 Queensland Government departments, as well as the Australian Government are involved in coordination, policy development and service delivery. The larger agencies responsible for service delivery have Indigenous policy and data collection units, which monitor outcomes and design service delivery in the communities. In addition, the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) develops internal departmental policy as well as whole-of-government policies relating to Indigenous affairs.

Numerous boards and statutory bodies also work with communities or develop policy that affect them.

Both levels of government also fund peak bodies and a range of NGOs working with the communities.

This has created a bureaucratic 'maze'—to service just over 40,000 people or less than 1 per cent of the state population (Figure 3).

Figure 3 Current model of service delivery



Note: This figure is a stylised representation and only shows a subset of the departments, authorities and non-government organisations involved in service delivery.

### Policy

Polymaking that impacts communities occurs at all levels of government. The Australian Government is responsible for native title, employment, welfare and primary health care, national security and border control, and contributes to Indigenous housing policy, education and training, and social justice policy. The Department of the Prime Minister and Cabinet leads the Australian Governments' Indigenous Advancement Strategy.

A Referendum Council was appointed in 2015 to report on how to best recognise Aboriginal and Torres Strait Islander peoples in Australia's Constitution. On 30 June 2017, the *Final Report of the Referendum Council* proposed:

- constitutional change to provide for a representative body that gives Aboriginal and Torres Strait Islander peoples a voice to the federal parliament, and the right to be consulted on policies that affect them (Voice to Parliament); and
- a non-constitutional Declaration of Recognition—articulating Australia's shared history, heritage and aspirations, to be enacted by legislation and passed by parliaments across Australia (Referendum Council, 2017).

In October 2017, the Australian Government rejected the 'Voice to Parliament', and asked that a Joint Select Committee considers recommendations of existing bodies of work (Australian Government 2017).

The Queensland Government oversees policies that directly affect economic development, such as land tenure, zoning, town planning and infrastructure. It also has policy responsibility for social housing, secondary and primary health care, education and training, social justice, community services and child safety. DATSIP provides whole-of-government leadership in Aboriginal and Torres Strait Islander policy, coordination and monitoring.

The Indigenous councils<sup>3</sup> are responsible for policy relating to the exercise of local regulatory functions, economic infrastructure and planning, and advocate for their communities in relation to policymaking by other levels of government. The Indigenous Leaders Forum, comprising leaders of the 16 Indigenous councils, identifies and prioritises common issues and agrees strategic initiatives.

The Torres Strait Regional Authority (TSRA) formulates Torres Strait regional policy, and represents the interests of the Torres Strait region to the Australian Government.

All levels of government policies impact on Indigenous economic development, including through tax and immigration settings, and land release and zoning. While the National Indigenous Reform Agreement provides a framework for closing the gap initiatives, there is limited coordination of the overarching policy environment.

## Funding

### Australian and state governments

Government funding is the main source of revenue to deliver services to communities. This has implications for the prioritisation, design and delivery of services, as well as the fiscal sustainability and autonomy of Indigenous organisations and communities.

The Australian Government directly funds over half of the Indigenous-specific programs across Australia through the Indigenous Advancement Strategy (IAS). The 2015-16 Australian Government budget allocated \$4.9 billion over four years to 2018–19, for grant funding and procurement activities under the IAS (AG 2017; Hudson 2016a, p. 1).

The Queensland Government provides for mainstream services such as education, health and community safety, as well as specific Indigenous programs. In 2015–16, the Queensland Government spent approximately \$4.5 billion overall on Indigenous-specific and mainstream services for Indigenous peoples combined (SCRGSP 2017). Queensland Government expenditure in remote and discrete Aboriginal and Torres Strait Islander communities is examined in Chapter 3.

### Torres Strait Regional Authority

The TSRA receives most of its funding in the form of Australian Government grants (\$49.6m, or 74 per cent of TSRA total revenue in 2013–14) (TSRA 2014a). Funding is provided as general revenue assistance in the form of a recurrent block grant.

---

<sup>3</sup> There are 16 Aboriginal and Torres Strait Islander Queensland local government councils and also a Torres Shire Council.

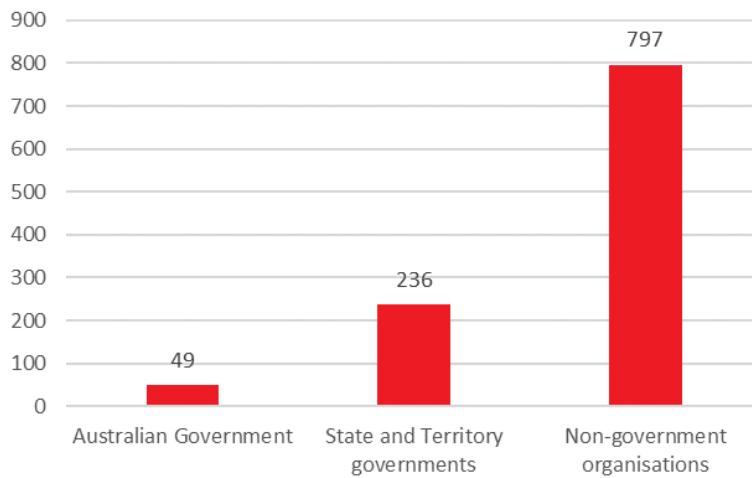
## Indigenous councils

The Indigenous councils rely heavily on disparate state and Australian Government grants. In 2014–15, capital and recurrent grants combined represented over half of the Indigenous councils’ revenues (QAO 2016, p. 85).

## Service delivery

There is significant overlap of governments delivering services to Indigenous people. Hudson identified 1,082 programs across Australia, of which 49 were federal government, 236 state and territory, and 797 (74 per cent) delivered by NGOs (though many are funded in part or full by government) (Figure 4). Over half of the programs are in the health and wellbeing category, followed by culture and recreation, early childhood and education, housing, community safety, employment, transport and communications programs (Hudson 2016a).

**Figure 4 Delivery of Indigenous-specific programs in Australia**

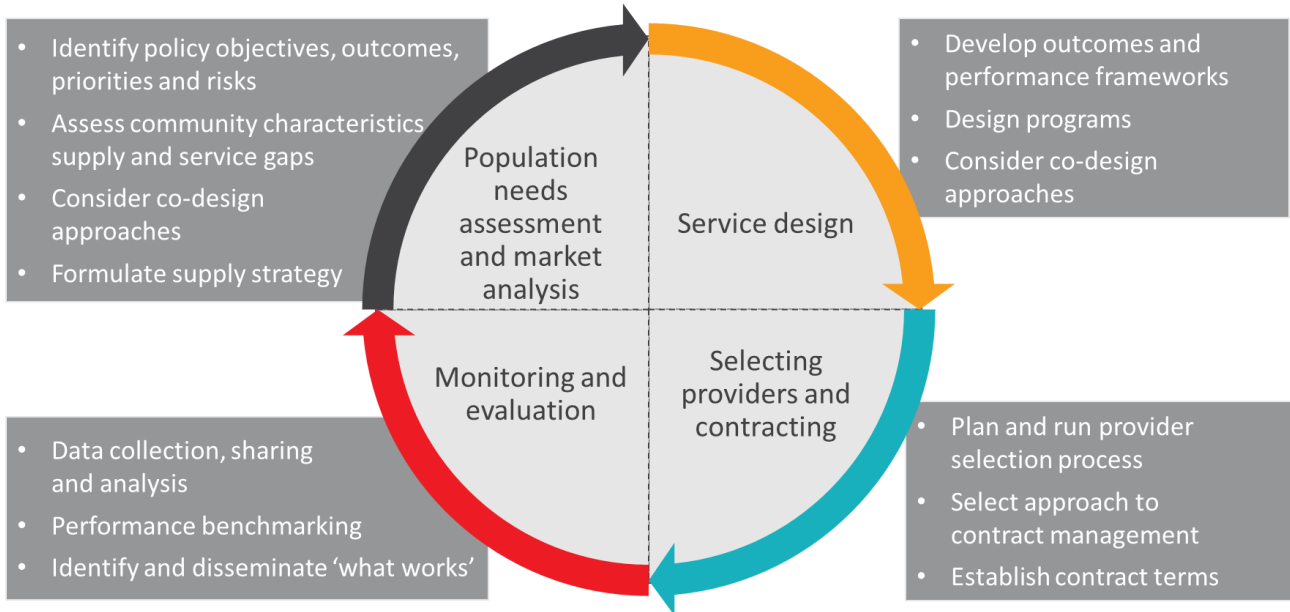


Source: Hudson 2016.

## Queensland Government service delivery

Service delivery in Queensland’s remote and discrete communities is largely centred around a government ‘commissioning’ model (Figure 5). Commissioning is a cycle that begins with assessing and planning for service needs and moves through stages including service design, selecting providers, managing contracts (or directly delivering services) and undertaking ongoing monitoring, evaluation and improvement (PC 2017a, p. 202).

Figure 5 The commissioning cycle



Source: PC 2017a, p. 203.

In theory, the commissioning model provides a basis for good service delivery design and managing performance. However, governments do not always adhere or fulfil the principles well, nor complete each stage of the cycle.

In Queensland where new investment is sought, the commissioning cycle occurs through the budget process. Funds are allocated to deliver specific services and agencies are responsible for commissioning those services.

The Queensland Government directly delivers many services, such as primary education, most forms of health care, and policing. The government also contracts with private for-profit and private not-for-profit organisations to deliver services such as counselling, family support and justice services.

The Queensland Government is increasingly adopting community engagement and co-design approaches to commissioning services, as well as transferring service delivery to communities in specific areas, for example in health and wellbeing services. Trials of other innovative models currently underway are a justice reinvestment trial in Cherbourg and a social reinvestment pilot program (Box 2.2), as well as social benefit bonds (see Chapter 8, Box 8.8).

## Box 2.2 Queensland Government—new service delivery models

The Queensland Government is investing in innovative ways to partner with communities to increase community participation and engagement to improve services.

In May 2017, the Queensland Government launched *Our Way*, a generational strategy for Aboriginal and Torres Strait Islander children and families to improve the safety and wellbeing of Aboriginal and Torres Strait Islander children. The strategy was developed in partnership with Family Matters and community sector organisations, and represents a fundamental shift in how child protection and family support services work.

The first three-year action plan invests \$150 million over five years for Aboriginal and Torres Strait Islander-community-controlled organisations to lead the design and delivery of Family Wellbeing Services to better support vulnerable families and communities. It also provides for engaging discrete communities in service reform initiatives and trialling family-led decision-making models.

The *Making Tracks Investment Strategy 2015–18* commits to progressing the transition of primary health care services to community control in at least two Cape York communities.

Mossman Gorge has had community-controlled primary health care services since 2009 through Apunipima Cape York Health Council, the regional Aboriginal and Torres Strait Islander Community Controlled Health Organisation.

In 2014, the local Aboriginal and Torres Strait Islander Community Controlled Health Service, Gurriny Yealamucka Health Service, became the provider of all primary healthcare services in Yarrabah, with the Cairns and Hinterland Hospital and Health Service continuing to offer emergency services.

In 2016, the Queensland Government committed to progressively transition Queensland Government funded primary health care services in five communities (Aurukun, Mapoon, Napranum, Coen and Lockhart River) to a community-controlled primary health model by December 2019.

The *Community Justice Group Program* supports Aboriginal and Torres Strait Islander organisations to work with their local community to develop strategies for dealing with justice-related issues. Community Justice Groups are run by members of the community and provide a community-based response to local issues, working cooperatively with magistrates, police and corrective services personnel.

Queensland Corrective Services supports Aboriginal and Torres Strait Islander offenders to reconnect with their local communities and provide specific intervention and support needs to ensure they remain crime free. This includes operating permanent Probation and Parole reporting centres in Mornington Island, Doomadgee, Weipa, Cooktown, Palm Island and Woorabinda, and a District Office on Thursday Island.

The Department of Justice and Attorney-General is implementing a *justice reinvestment trial* in Cherbourg in a co-design process with the community that aims to improve public safety and reduce related criminal justice spending to reinvest savings in strategies that can reduce crime and strengthen communities.

The draft *Advancing Aboriginal and Torres Strait Islander Education Action Plan* to drive higher expectations in early childhood education, school education, vocational education and training, and higher education takes an empowerment approach, recognising and building on the unique strengths, knowledge and skills of Aboriginal and Torres Strait Islander parents, elders, families and communities.

Source: Queensland Government (sub. 27, pp. 7–11; 18)

## Indigenous councils

Indigenous councils provide infrastructure and other services including roads, water and sewerage services, manage airports, cemeteries, art and cultural centres, child care centres, and other community facilities such as pools, parks and gardens, sport and recreation facilities, historical centres, Indigenous knowledge centres, environmental health and animal management services (LGAQ sub. 14, p. 35).

Indigenous councils sometimes step in to fill gaps in service provision to their communities, for example providing mechanical, banking and post office services. They promote economic development of their communities through training, employment and business development opportunities. Indigenous councils also support their communities by managing and coordinating community justice groups, home and community care, youth and kids club programs, women's shelters, and men's groups (LRASC 2016a, pp. 12–15).

## Indigenous and mainstream non-government organisations (NGOs)

Since the 1970s, Indigenous organisations have played a key role in delivering community-controlled services in areas such as health, local government, housing, community and welfare services (Sanders 2002; Tsey et al. 2012). While governments fund most services to remote and discrete communities, many are delivered by mainstream NGOs external to the community. Examples of Indigenous organisations and the areas in which they operate are outlined below.

## Indigenous corporations

Across Australia there are about 2,500 Indigenous-owned and controlled corporations registered with the Registrar of Indigenous Corporations. The strength and governance of this sector has grown steadily—compliance with reporting requirements has improved significantly from 24 per cent in 2001–02 to 97 per cent in 2014–15, and the amount of self-generated income has steadily taken over from government-derived as the leading income source (ORIC 2016, p. 26). The vast majority of the top 500 are not-for-profit corporations. The most common sectors of operation were health and community services, followed by employment and training, and land management (ORIC 2016, p. 19).

In 2014–15, 95 of the top 500 Indigenous corporations were in Queensland, with a combined total income of \$205.1 million, assets of \$254.3 million, and 1,795 employees (ORIC 2016, pp. 7, 16).

## Aboriginal Community Controlled Health Organisations

Aboriginal Community Controlled Health Organisations (ACCHOs) are primary health care services initiated and operated by the local Aboriginal community to deliver holistic, comprehensive, and culturally appropriate health care to the community which controls it, through a locally elected Board of Management. The health services adopt an integrated primary health care model that is in keeping with the philosophy of Aboriginal community control and the holistic view of health.

ACCHOs have become key strategic sites for Aboriginal community development through employment, education of staff, engagement, empowerment and social action (Panaretto et al. 2014, p. 649). Queensland has 28 ACCHOs registered with the National Aboriginal Community Controlled Health Organisation.

## Community Justice Groups

Community justice groups (CJGs) are Aboriginal and Torres Strait Islander organisations supporting Indigenous people who have come into contact with the criminal justice system. CJGs were first established in 1993 in North Queensland. They are run by local community members including Elders, traditional owners, Respected Persons and community members of good standing. Nearly all CJG members are volunteers.

CJGs provide a community-based response to local issues, working in cooperation with magistrates, police, corrective services personnel and staff from other government agencies. Key activities include making cultural submissions to the Magistrates Court on behalf of defendants; identifying and promoting treatment and support programs for defendants to help magistrates in their bail and sentence decision-making; and assisting and directing defendants as they progress through Murri Court (Queensland Courts 2017).

## Land councils and native title representative bodies

Land councils are elected membership bodies representing Aboriginal affairs at state level. They aim to protect the interests and promote the aspirations of Aboriginal communities. Local Aboriginal land councils manage and deliver a range of support services including housing, legal affairs, employment, training and property acquisition and management.

Native title representative bodies (NTRBs) and native title service providers are regional organisations that assist Aboriginal and Torres Strait Islander people with all aspects of their native title claim, as outlined in the *Native Title Act 1993* (Cth). NTRB staff represent native title holders and claimants in native title related proceedings including native title claims, appearing in court on behalf of native title claimants, responding to ‘future act’ applications (for example, proposed mining on native title land or land subject to a registered native title claim) and negotiations for Indigenous land use agreements (ILUAs). Other functions of NTRBs include certification, dispute resolution, consultation and notification and agreement-making.

The National Native Title Tribunal lists five representative body areas in Queensland: Torres Strait (Torres Strait Regional Authority); Cape York Region (Cape York Land Council Aboriginal Corp); Carpentaria Gulf Region (Carpentaria Land Council Aboriginal Corporation); Northern Queensland Region (North Queensland Land Council Native Title Representative Body Aboriginal Corporation); and Southern and Western Queensland Region (Queensland South Native Title Services Ltd).

## Family Responsibilities Commission

The Family Responsibilities Commission (FRC) was established under the *Family Responsibilities Commission Act 2008*. The primary role of the FRC and Local Commissioners—respected Aboriginal and Torres Strait Islander community members—is to convene conferences with community members to encourage clients, individuals and families to engage in socially responsible standards of behaviour. The FRC operates in Coen, Hope Vale, Mossman Gorge, Aurukun and Doomadgee.

## Torres Strait Regional Authority

The Torres Strait Regional Authority (TSRA) focuses on progressing the Torres Strait region’s economic development, fisheries, cultural heritage, environmental management, governance and leadership, and community health and safety. The TSRA is also a registered Native Title Representative Body.

## Cape York Partnership

Cape York Partnership (CYP) is an Indigenous organisation developing reformative policy that champions Indigenous economic and social development. CYP delivers services including commercial advisory, mentoring, building and landscaping, education and employment services.

## 2.4 Conclusion

Many of the outcomes and challenges faced by communities, as well as the service delivery environment, have been influenced by past government policies and other historical factors. Most discrete communities were positioned without consideration of their ongoing economic viability, and the residents have had little autonomy or opportunities for employment.

The architecture of service delivery is concentrated at the state and national level, with a complicated maze of policy, funding, delivery and regulation. Policy is made by numerous Queensland government agencies, boards and statutory bodies, as well as the Australian Government, the TSRA, and the Indigenous local governments. Government funding dominates service delivery, with implications for the prioritisation, design and delivery of services. Most services are planned and delivered by agencies and non-government organisations external to the communities.

The centralised and complex nature of the system gives rise to a range of challenges and risks. Expenditures, outcomes, issues and options for improvement are discussed in the following chapters.

The background features several overlapping, curved dashed lines in black and red, creating a sense of movement and depth. The red lines are more prominent and form a large, sweeping shape that frames the title area.

# Levels and patterns of government expenditures

## 3.0

*This chapter provides estimates of expenditures on service delivery in Queensland's remote and discrete communities.*

## Key points

- Estimating government expenditures in remote and discrete Aboriginal and Torres Strait Islander communities is challenging—currently available data does not provide a complete or robust picture of total spending at the community level.
- To estimate the level of Queensland Government investment in remote and discrete communities, the Commission has drawn on a range of data sources to construct experimental estimates, supported by case study information for two communities.
- In 2015–16, we estimate the Queensland Government spent \$1.2 billion (or \$29,000 per person) on service delivery in remote and discrete communities. The majority (83 per cent) of expenditures are on mainstream services including schools, health care and policing. Per capita expenditure was highest in the discrete communities outside of the Torres Strait and lowest in non-discrete, remote communities.
- The Australian Government also made significant investments in Queensland's remote and discrete communities. In 2015-16, the Australian Government contributed around half of all expenditures on services for Aboriginal and Torres Strait Islander people in Queensland.
- Key drivers of expenditures in remote and discrete communities include higher service use intensity and higher costs associated with providing services in remote communities.
- Queensland Government expenditures in remote and discrete communities appear to be less than per-capita expenditures made in other jurisdictions.
- A high proportion of expenditures are reactive rather than preventative—addressing the underlying causes of high service use could yield benefits exceeding \$500 million per year.
- Large numbers of individual services are provided into communities with small populations. For example, in Hope Vale (with a population of just over 1000 people), 46 separate service providers provide at least 78 services, funded through 44 separate funding programs across 11 Queensland Government departments.
- Stakeholders indicated that a lack of public information, combined with the dispersed nature of service delivery has resulted in duplication of services and a lack of engagement with communities—a prerequisite to improve service delivery is for government to improve its collection and dissemination of expenditure information to enable better decision-making.

### 3.1 Background

#### There is limited data on government spending on service delivery in remote and discrete communities

A key step in assessing how well service delivery is performing is to understand how much is being spent, by whom, and how. However, there is little published information about government spending in remote and discrete Aboriginal and Torres Strait Islander communities. The information that does exist is often difficult to access from agencies' reporting systems.

At the whole-of-state level, the only comprehensive expenditure information available is the data constructed by the Australian Productivity Commission (PC) in the 2017 Indigenous Expenditure Report (SCRGSP 2017). No estimates were made for expenditures in remote or discrete communities.

The Queensland Government's Investment Portal is the only other publicly available dataset. It provides information on grants made to external-to-government organisations, making it difficult to isolate expenditures by geographic region.

The absence of expenditure and other data was a key issue raised by stakeholders, because there is insufficient information to provide a complete picture of the service provision in communities. There is also a perception that much expenditure does not reach the ground, with a large proportion of expenditures consumed by ancillary or indirect costs, rather than frontline service delivery.

The Local Government Association of Queensland (LGAQ) noted the frustration of Indigenous councils trying to understand the expenditures made in their communities:

*There appears to be an inherent inability or unwillingness by State and Commonwealth government agencies to provide a breakdown on their investment into each remote Indigenous community in Queensland. If this breakdown can't be provided then, how can the effectiveness of government funded programs be measured ... Further, Indigenous councils are concerned about the amount of 'leakage' that occurs between the time funding is allocated to the time the service is delivered in community. (LGAQ sub. 14, p. 5)*

The Centre of Independent Studies noted that the PC expenditure estimates are largely artificial constructs and do not consider effectiveness or how expenditures translate into services delivered on the ground.

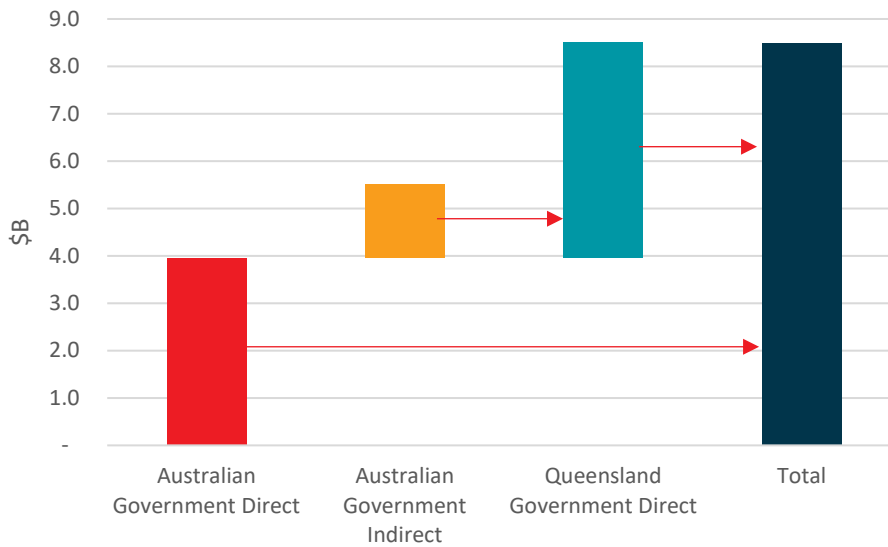
*We note that in the Queensland Productivity Commission (QPC) consultation paper, figures from the 2016 Overcoming Indigenous Disadvantage Report are used ... We would caution against using these figures as they help to perpetuate the perception that all this 'extra' money is going to Indigenous people ... Our analysis, for the 'Mapping the Indigenous Program and Funding Maze' report found that 54% of Indigenous Advancement Strategy (IAS) grants, worth approximately \$1.2 billion of the total \$2.1 billion of IAS funding, went to remote and very remote regions. However, many people working in these communities see little evidence of this funding. (CIS sub. 21, p. 3)*

#### Expenditures in Queensland

Expenditures on services for Aboriginal and Torres Strait Islander people comprised around 7.4 per cent of the \$114.5 billion spent on services by all levels of government across Queensland in 2015-16 (SCRGSP 2017).

Expenditures on services for Aboriginal and Torres Strait Islander people are shared by all levels of government (Figure 6). The Australian Government contributed 47 per cent (just under \$4 billion) to the direct expenditures made in Queensland in 2015-16. The Australian Government also contributed a further \$1.6 billion that the Queensland Government administered. Including the Australian Government's contribution, the Queensland Government's expenditure was \$4.5 billion in 2015-16 (SCRGSP 2017).

Figure 6 Indigenous expenditures in Queensland, 2015-16



Source: SCRGSP 2017

Most (83 per cent) services provided to Aboriginal and Torres Strait Islander people funded by the Queensland Government were mainstream services (services that are generally available to all Queenslanders, such as school education). Indigenous-specific services (services that relate exclusively to Aboriginal and Torres Strait Islanders) accounted for 17 per cent of all expenditures.

Expenditure data show there are considerable overlaps in responsibility between the Australian and Queensland Governments—within most service categories, there are significant expenditures by both the Queensland and Australian Governments. Overlaps in State-Federal responsibilities is not unique to Indigenous affairs, however, the data show that these are more pronounced in relation to Indigenous expenditures, particularly for health and community safety.

It was not possible to estimate the extent to which overlaps in expenditures occur in remote and discrete communities and whether it differs from non-remote communities. However, this issue was raised consistently during consultation, particularly in relation to health.

### Expenditures by local government

Local governments also make significant expenditures in remote and discrete communities. The operating expenses of councils operating in remote regions are significant, although broadly in line with expenditures made in other regions, after accounting for the higher costs associated with delivering services in remote regions (LGAQ 2017).

Local government expenditure is predominantly on the delivery of essential services (including roads, rubbish collection and sewerage), planning and building and maintaining community facilities (QAO 2016).

It was not possible to apportion local government expenditures between Indigenous and non-Indigenous residents. However, Indigenous and non-Indigenous councils in remote regions generally have insufficient own-source revenue to operate sustainably and rely on external funding, predominantly from the Queensland Government. Grant funding provided by the Queensland Government is included in the expenditure estimates presented in this chapter.

### 3.2 Understanding expenditures

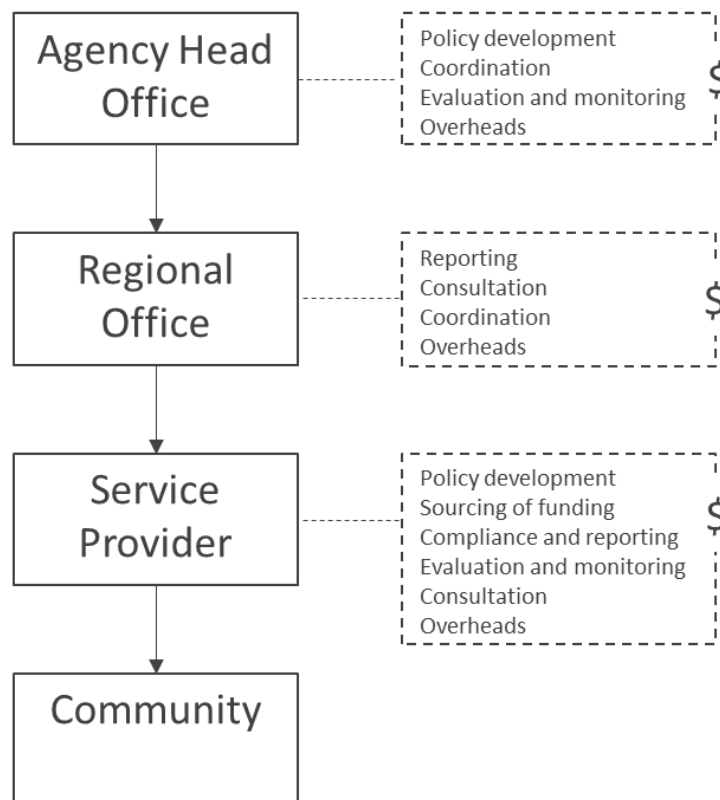
Expenditures on providing services to remote and discrete Aboriginal and Torres Strait Islander communities includes both direct expenditures and the indirect (or ancillary) expenditures that the agency head office, regional office or service provider may make to support service delivery.

Direct expenditures are directly related to the delivery of services to individuals in communities, including funds made available to service providers for the delivery of frontline services—such as health and policing—to community members. The services may be provided in the community or in regional centres nearby.

Indirect expenditures are not directly related to frontline service delivery but are part of the overall cost (see Figure 7). These costs include:

- policy development
- coordination
- consultation costs
- compliance and reporting costs
- sourcing funding for program delivery
- overheads associated with these indirect activities.

**Figure 7 Indirect costs associated with service delivery in remote and discrete Aboriginal and Torres Strait Islander communities**



### 3.3 Constructing estimates of Queensland Government expenditure in remote and discrete Aboriginal and Torres Strait Islander communities

There is little published information on Queensland and Australian Government expenditures that relate to remote and discrete communities.

The fractured nature of funding and service delivery, a lack of identification of Indigenous-specific expenditures and challenges isolating expenditures by geographical location make identification of expenditures difficult at the state level. In particular:

- expenditures on services for communities are made across at least 19 separate agencies, with most having an Indigenous-specific policy and/or coordination function. The costs of these activities are not separately identified
- services are often provided through mainstream delivery with little or no identification of Indigenous clients
- where expenditures are provided through Indigenous-specific services, it is often difficult to identify the geographical region to which the expenditures relate.

At the national level, information on grants provided through the Indigenous Advancement Strategy (IAS) is available (DPMC 2016a). However, it is difficult to identify the geographical region to which the expenditure relates. Other expenditures are difficult to identify, particularly those relating to health expenditures. While much of this data is publicly available, it is not presented in a form that makes it easy to concord expenditures to regions or communities. Within the timeframe and resources available to this inquiry, it has not been possible to construct estimates of Australian government expenditures.

To overcome these difficulties, we used two approaches to provide broad estimates of Queensland Government expenditures in remote and discrete communities:

- **Headline estimates** use a tops-down method—taking known estimates of expenditure at the whole-of-state level, and disaggregating them to the regions of interest for this inquiry.
- **Community level estimates** use agency and other data to build a picture of the services provided in selected communities and attempt to identify the funding provided for each service. Two case studies illustrate these estimates (section 3.8).

### Box 3.1 Data sources

We have used five main data sources to estimate and examine expenditures by the Queensland Government on service delivery in remote and discrete communities.

The **2017 Indigenous Expenditure Report** (SCRGSP 2017)—provides information on expenditure by 116 service categories for Indigenous and non-Indigenous populations in Queensland for 2015–16.

The **Queensland Government Investment Portal** (Queensland Government 2017a)—provides information on grants provided by the state government by LGA from 2012–13 to 2015–16. The data do not include services provided or procured by agencies and exclude head office costs. The data also do not distinguish between expenditures on Indigenous and non-Indigenous persons.

The **Department of Aboriginal and Torres Strait Islander (DATSIP) annual report** (DATSIP 2016a)—provides expenditure information on specific programs, policies and coordination activities managed by the department.

**Service mappings** undertaken by DATSIP regional offices (DATSIP 2016b) and Indigenous councils—provide details about services provided in communities.

The **Schedule of Investment in Queensland’s discrete Aboriginal and Torres Strait Islander communities** (QTC 2016)—unpublished data collated by the Queensland Treasury Corporation (QTC) for DATSIP, which provides expenditure levels occurring in each of the discrete Indigenous communities for 2014–15 and 2015–16. The data are incomplete, do not distinguish between capital and non-capital expenditures and do not include expenses related to service delivery that occurs outside the discrete communities (such as court costs and outside-of-community hospital costs).

## Methodology for headline estimates

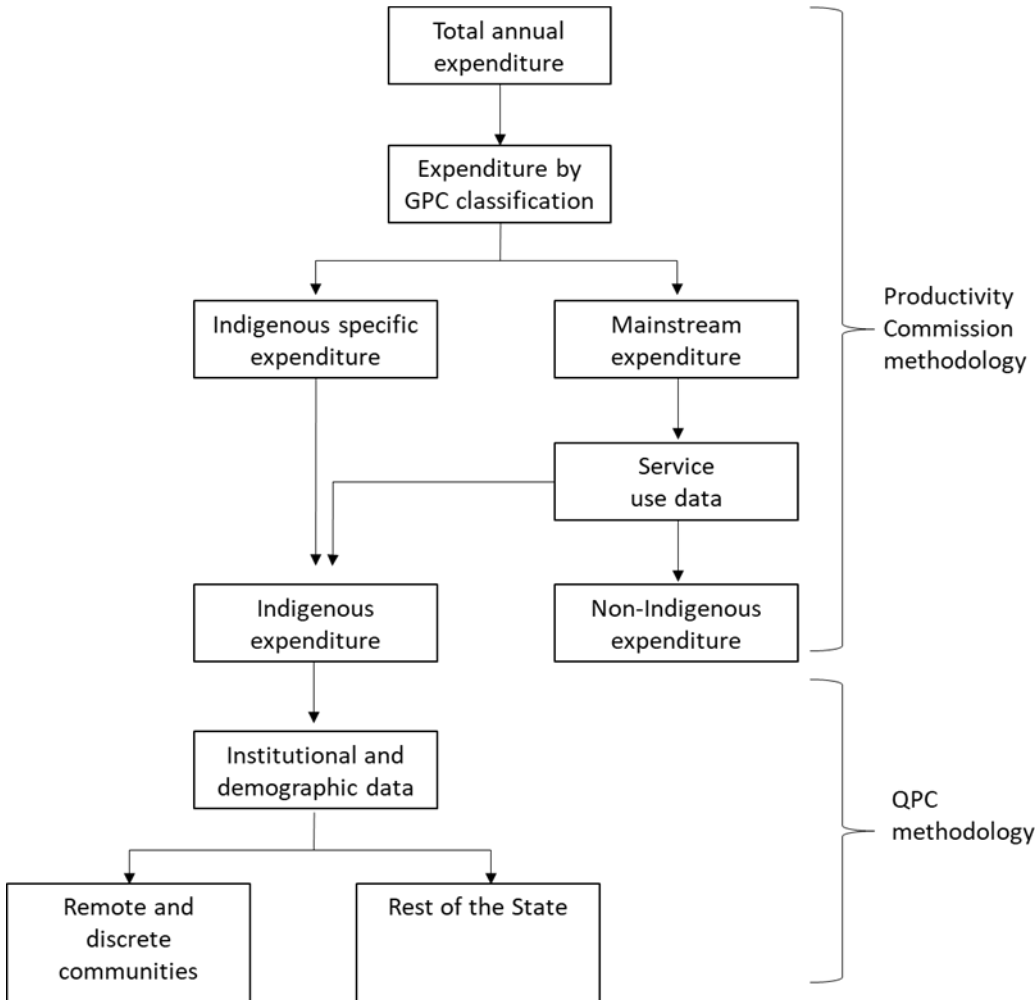
The headline estimates use the PC’s estimates of expenditures on providing Indigenous-specific and mainstream services to Aboriginal and Torres Strait Islander people in Queensland (SCRGSP 2017). This data is disaggregated to regions of interest using a combination of demographic and institutional data (such as school enrolments data and crime statistics), and information pertaining to the relative costs of service delivery in remote and discrete communities. Figure 8 provides an overview of the methodology.

The methodology uses information from the PC’s Expenditure Data Manual (SCRGSP 2014b) and Service Use Definitions Manual (SCRGSP 2014c) to ensure that our headline regional estimates are consistent with the Queensland level estimates constructed by the PC.

The estimates are disaggregated to account for:

- the higher cost of delivering services in remote communities—these costs are estimated using service cost differential information for hospital and health services (AIHW 2013), and for police, education and general service delivery (Commonwealth Grants Commission 2015)
- the drivers of demand for service delivery, including school enrolments and attendance (DET 2016), custodial data (DJAG 2017), offence rates (QGSO 2016b), substantiations of child safety (QGSO 2016c) and age-specific demographic data (ABS 2011).

Figure 8 Overview of methodology for headline estimates



These estimates are cross-checked (and adjusted where required) with known Queensland Government expenditures in remote and discrete communities (mainly for Indigenous-specific expenditures, which account for a small proportion of the total expenditures in remote and discrete communities).

Where individuals have little influence over expenditure (as for agricultural subsidies and medical research), expenditures are allocated using population shares. These expenditures make up a small proportion of the total expenditures in remote and discrete Aboriginal and Torres Strait Islander communities (less than 5 per cent).

## Interpreting the results

The headline expenditure estimates are intended to provide an overview of the total quantum of funds spent by the Queensland Government on service provision for remote and discrete communities. Given the dearth of base information and data, they should be considered as experimental.

The headline estimate includes expenditures on:

- administration and other central office costs
- services that are used by residents of discrete communities that are provided in other regions (such as hospital services provided in regional centres)

- services that are provided to the entire Queensland population, such as research and development funding—allocated to regions based on their population shares
- mainstream services provided to Aboriginal and Torres Strait Islander people living in remote and discrete communities
- Indigenous-specific services provided to people living in remote and discrete communities
- Queensland government funding provided to other parties who provide services to Aboriginal and Torres Strait Islander people living in remote and discrete communities.

The headline expenditure estimates are presented in a way that allows comparison with other known datasets, particularly the PC's *Indigenous Expenditure* reports. This allows the headline expenditure estimates to be compared with expenditure in other jurisdictions and the rest of the state, as well as with non-Indigenous expenditure.

The estimates do not measure the efficiency or effectiveness of service delivery in remote and discrete Aboriginal and Torres Strait Islander communities. They describe the quantum of expenditure made on behalf of the residents in these communities.

The estimates **include only Queensland Government expenditures**.

While the headline expenditure estimates represent our best efforts to quantify the total expenditures made by the Queensland Government on remote and discrete communities, they should be interpreted with due consideration for the experimental nature of the method used. Estimating the components of expenditure associated with discrete and remote communities is not straightforward, and the Commission has made many assumptions in deriving these estimates.

### 3.4 Headline estimates—how much does the Queensland Government spend on service delivery to remote and discrete communities?

We estimate that around \$1.2 billion was spent by the Queensland Government in 2015–16 on service delivery to Queensland's remote and discrete Aboriginal and Torres Strait Islander communities (Table 2). This expenditure was 2.5 per cent of the \$49 billion spent on all service delivery across the state in that year.

**Table 2 Headline estimates of Queensland Government expenditures, comparisons with the rest of the state, 2015–16**

	Total expenditures (\$ billion)	Per capita expenditure (\$)
Indigenous—all remote and discrete communities	1.2	29,000
Indigenous—rest of the state	3.3	19,000
Non-indigenous—Queensland	44.8	10,000

Source: QPC experimental estimates.

While Table 3 shows that per capita expenditure is higher on services provided to Indigenous communities, it costs more to deliver services to them.

The cost of service delivery in remote regions is higher than in other areas owing to:

- the small scale, higher transportation costs and higher wages and allowances required to attract staff to remote locations (SCRGSP 2014a)

- differences in age structure—a community with a younger age demographic would have higher demand for education services and lower demand for aged-care services, all other things being equal
- services provided to different communities may require additional costs—for example, services provided to Aboriginal and Torres Strait Islander populations might include language translation services or other Indigenous-specific service delivery
- Aboriginal and Torres Strait Islanders living in remote communities tend to suffer from poorer health, have lower education levels and have less income than their counterparts in the rest of the state. This level of disadvantage increases the need for government programs and services
- there is limited choice in remote and discrete communities. For example, until very recently, it was not possible for Aboriginal and Torres Strait Islander people living in discrete communities to own their own home, meaning that people in these communities were totally reliant on government-funded housing.

Higher expenditure in a community, therefore, does not mean that there are more or better services in these communities. It may simply reflect that service provision is considerably more costly (including that service provision may be less efficient than it could be):

*[The Indigenous Expenditure report] makes no assessment as to whether the resulting variations in expenditure [between Indigenous and non-Indigenous Australians] are adequate given differences in need, or reflect effective or efficient delivery of service. (SCRGSP 2014a, p. 28)*

Differences in the per capita costs of service delivery between remote and non-remote regions can be attributed to differences in the intensity of service use and to differences in the unit cost of service delivery.

*The per person intensity of service use is higher if, on average, Aboriginal and Torres Strait Islander Australians tend to use more services than non-Indigenous Australians – either because of greater individual need (and evidence shows that, on average, Aboriginal and Torres Strait Islander Australians experience higher levels of disadvantage than other Australians) or because a higher proportion of the Aboriginal and Torres Strait Islander population belongs to the age group likely to use those services. (SCRGSP 2017, p. 14)*

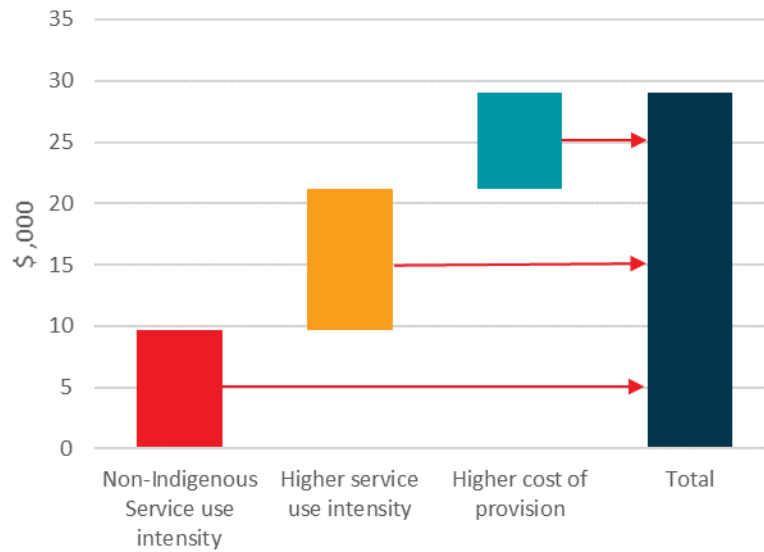
Figure 9 and Figure 10 depict these differences. They compare the per capita expenditure on service delivery for Indigenous communities against a benchmark per capita cost for non-Indigenous communities in Queensland.

The figures illustrate that the higher costs in remote and discrete Aboriginal and Torres Strait Islander communities are attributable to both a higher service use intensity (over \$11,000 of per capita expenditure) and higher cost of provision (around \$8,000).

In the rest of the state, per capita expenditures are closer to the non-Indigenous level of expenditure, with the difference mainly due to a higher intensity of service use (around \$8,000).

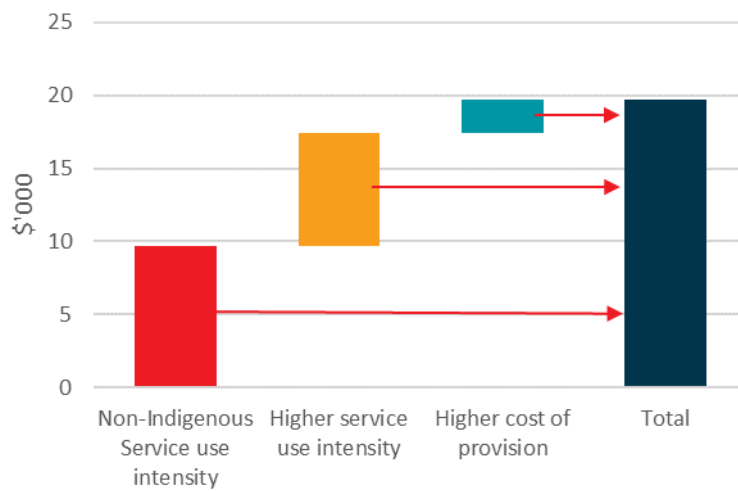
We estimate that over \$500 million could have been saved in 2015–16 if the gap in outcomes between remote and discrete communities and the rest of the state had been closed (Box 3.2).

**Figure 9 Breakdown of per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—remote and discrete communities**



Source: QPC experimental estimates.

**Figure 10 Breakdown of per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—rest of the state**



Source: QPC experimental estimates.

### Box 3.2 Potential benefits from closing the gap in disadvantage

Aboriginal and Torres Strait Islander people living in remote and discrete communities experience significantly worse outcomes than both their Indigenous and non-Indigenous counterparts in the rest of the state (see Chapter 4). This high level of need is reflected in a higher service use intensity, and correspondingly, a higher per capita level of expenditure in the remote and discrete communities.

Improving the effectiveness of service delivery, particularly for those services that address the underlying causes of disadvantage, can improve outcomes for Aboriginal and Torres Strait Islander people and result in large gains.

We estimate that over \$500 million could have been saved in 2015–16 if the gap in outcomes between remote and discrete communities and the rest of the state had been closed.

This cost saving is calculated as the difference between expenditures on services that actually occurred in 2015–16, less the amount that would have been spent if the rate of service use intensity in remote and discrete communities was the same as the Queensland non-Indigenous rate. However, services would still cost more to deliver in remote communities.

Potential cost savings predominantly relate to health (just under \$150 million) and community safety (over \$300 million).

## Expenditure in other jurisdictions

Making a direct comparison between expenditures in Queensland's remote and discrete communities and remote and discrete communities in other jurisdictions is difficult because:

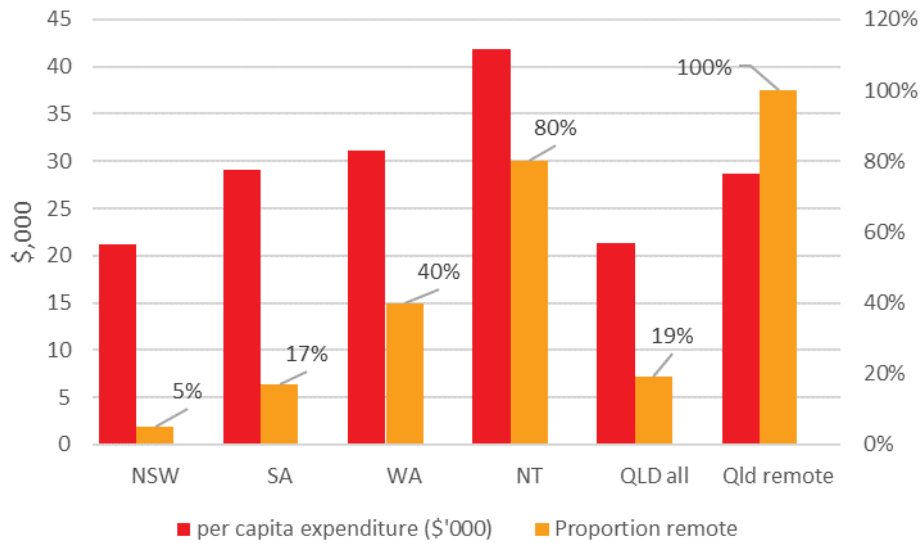
- data are not published or easily estimated from publicly available information
- a complete comparison would require a comparison of the underlying need and any other factors that impact on the costs of service delivery (such as extent to which populations are dispersed).

Nevertheless, some comparisons can be made with all-jurisdiction expenditures for states and territories where a large proportion of the Indigenous population lives in remote regions. For example, the Northern Territory, where 80 per cent of the Indigenous population lives in remote or very remote regions, per capita expenditures are around \$42,000.

Figure 11 provides a comparison of expenditures on service delivery to Indigenous populations in each jurisdiction, and the proportion of the Indigenous population that live in remote or very remote regions. It shows that expenditures are highest in states with a larger proportion of indigenous people living in remote parts of the state. Queensland's per capita expenditure on service delivery in remote and discrete communities are less than expenditures in other states and territories with similar levels of remoteness and approximately the same as New South Wales despite having a significantly larger remote indigenous population.

However, this does not necessarily reflect differences in the adequacy, effectiveness or efficiency of government expenditures between states and no assessment of this has been made.

**Figure 11 State Government per capita Indigenous expenditures and the proportion of Indigenous population living in remote regions**



Source: SCRGSP 2017; ABS 2011a.

### 3.5 Estimates of expenditure by region

By allocating the \$1.2 billion estimated to be spent in Queensland's remote and discrete indigenous communities into regions using the same method described in section 3.3, we estimate that per capita expenditure was highest in the discrete communities outside of the Torres Strait and lowest in non-discrete remote communities (Table 3).

**Table 3 Headline estimates of Queensland Government expenditures by region, 2015–16**

	Total expenditures (\$ million)	Per capita expenditure (\$)
Cape York	480	33,000
Torres Strait	200	27,000
Other discrete	270	33,000
Non-discrete remote	280	23,000

Source: QPC experimental estimates.

The differences in expenditure between the regions relate primarily to differences in expenditure on community safety and housing. For instance, we estimate the large per capita expenditure on community safety was around one third lower in the Torres Strait and non-discrete remote communities than in the Cape York and other discrete communities.

Similarly, we estimate that per capita expenditure on housing was much lower in the non-discrete remote communities.

Because of the reliance on institutional and demographic data in allocating expenditure into regions, the small populations and a lack of comprehensive community level information means these estimates should be interpreted with caution. It has not been possible to produce reliable estimates of expenditure in individual communities.

NSW Treasury has also developed a regional expenditure model to support its implementation of Local Decision Making in partnership with Aboriginal communities (SCRGSP 2017). However, it has not published regional estimates. The NSW model is used only to contextualise regional spend for communities that might otherwise have limited information on public investment in their local communities.

The Western Australian Government has also constructed estimates of service provision expenditure on Indigenous people in the Kimberly and the Pilbara in 2015–16, as part of its "Resilient Families, Strong Communities: Mapping service expenditure and outcomes in the Pilbara and the Kimberley" report. (WA Government 2017)

### **3.6 Where do the expenditures go?**

Table 4 provides a breakdown of expenditures by purpose for remote and discrete communities and for the rest of Queensland. It shows that almost 75 per cent of expenditures in remote and discrete communities are on school education, hospital services, public order (mainly police services, justice services and detention) and community support and welfare.

**Table 4 Headline estimates of expenditures on services for Aboriginal and Torres Strait islander people, Queensland Government, by purpose, 2015–16**

	All remote and discrete communities		Rest of Queensland	
	\$ million	%	\$ million	%
Education				
Early child development	7	0.6	20	0.6
School education	234	19.1	752	22.7
Tertiary education	4	0.3	75	2.3
Health				
Hospital services (including mental health institutions)	248	20.2	712	21.5
Public and community health services (excluding subsidies)	46	3.7	129	3.9
Health care subsidies and support services	3	0.2	12	0.4
Economic participation		-		-
Labour and employment services	1	0.1	5	0.1
Social security support	0	-	0	-
Home environment				
Housing	125	10.2	172	5.2
Community and environment services	22	1.8	19	0.6
Transport and communications	30	2.5	174	5.2
Safe communities				
Public order and safety	252	20.6	544	16.4
Community support and welfare	181	14.8	407	12.3
Recreation and culture	13	1.0	54	1.6
Other				
General government services and defence	49	4.0	206	6.2
Support to industry	9	0.7	38	1.2
<b>Total</b>	<b>1,223</b>		<b>3,319</b>	

Source: QPC experimental estimates.

## How much expenditure is Indigenous-specific?

Government funded services for Indigenous people are provided through a combination of mainstream and Indigenous-specific services (Table 5).

Indigenous specific expenditure is expenditure on services that are provided to the Aboriginal and Torres Strait Islander community specifically (and that can be directly identified, and do not need to be estimated).

**Table 5 Headline estimates of expenditures, Queensland Government, by mainstream and Indigenous specific service delivery, 2015-16**

	Mainstream services (\$ million)	Indigenous-specific services (\$ million)	Total (\$ million)
Education	233	12	244
Health	273	23	296
Economic participation	1	0	1
Home environment	73	103	177
Safe communities	386	61	447
Other	51	7	58
<b>Total</b>	<b>1,018</b>	<b>206</b>	<b>1,223</b>

*Note: Totals may not sum due to rounding.*

*Source: QPC experimental estimates.*

The majority (83 per cent) of expenditure in communities occurs through mainstream services—that is, services that are not specifically aimed at Aboriginal and Torres Strait Islander people. For example, education services are delivered, in the main, through the Department of Education, with mainstream schools located in the remote and discrete communities or in regional centres.

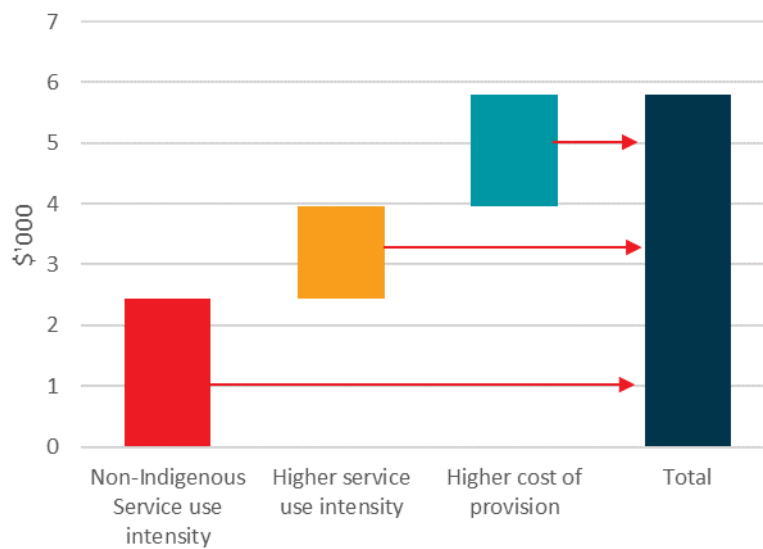
Seventeen per cent of expenditure in communities was for Indigenous-specific service delivery. Of the estimated \$206 million spent on Indigenous-specific services in 2015–16, around \$100 million was expenditure on social housing—the majority of which has been mainstreamed by the Department of Housing and Public Works (DHPW 2017; Habibis et al. 2016).

## Education

In 2015–16, around \$244 million was spent on education services by the Queensland Government in remote and discrete Aboriginal and Torres Strait Islander communities. The majority (95 per cent) of these expenditures occurred through mainstream education services<sup>4</sup>, predominantly through government-run primary and secondary schools.

The higher cost per capita of delivering education in communities is largely due to a higher service use intensity (because the Indigenous population has a higher proportion of school-aged children than the non-Indigenous population) and because of the high cost of service provision.

**Figure 12 Breakdown of per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—education services**



Source: QPC experimental estimates.

<sup>4</sup> Education services include early childhood, primary, secondary and tertiary education.

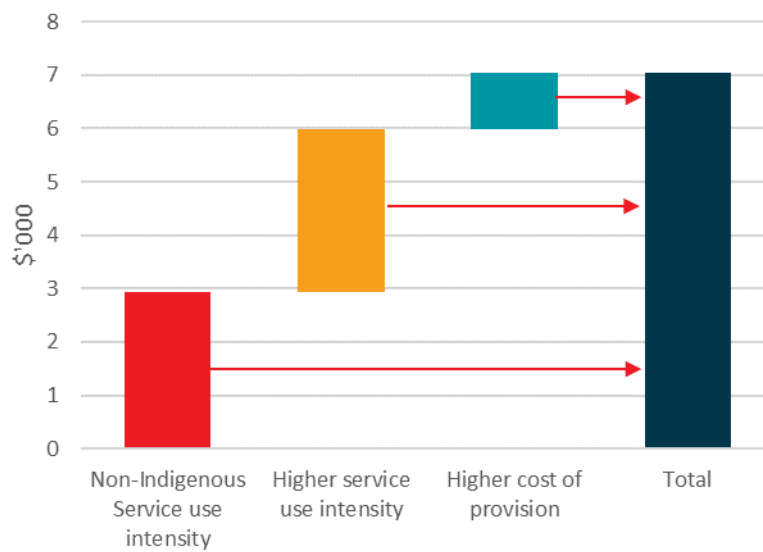
## Health

Health expenditures in remote and discrete Aboriginal and Torres Strait Islander communities in 2015–16 was almost \$300 million.<sup>5</sup> Around 8 per cent of expenditures were on Indigenous-specific health services.

Health has a relatively higher share of expenditure contracted out to non-government organisations, including to Aboriginal Community Controlled Health Organisations.

The data suggest that, although significantly more is spent on health in remote regions, the additional expenditure reflects a higher service use intensity rather than a higher cost of provision.

**Figure 13 Breakdown of differences in per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—health services**



Source: QPC experimental estimates.

The high proportion of costs associated with higher service use intensity, suggests significant benefits could be realised from early intervention and prevention. For example, Queensland Health estimates that, if the hospitalisation rate for Indigenous Queenslanders was the same as non-Indigenous Queenslanders, the public inpatient hospital system would have saved \$621 million between 2012–13 and 2014–15 (Aboriginal and Torres Strait Islander Health Unit 2015).

<sup>5</sup> Health services include hospital services, public and community health services and health care subsidies and support. It excludes GP services, which are funded by the Australian Government.

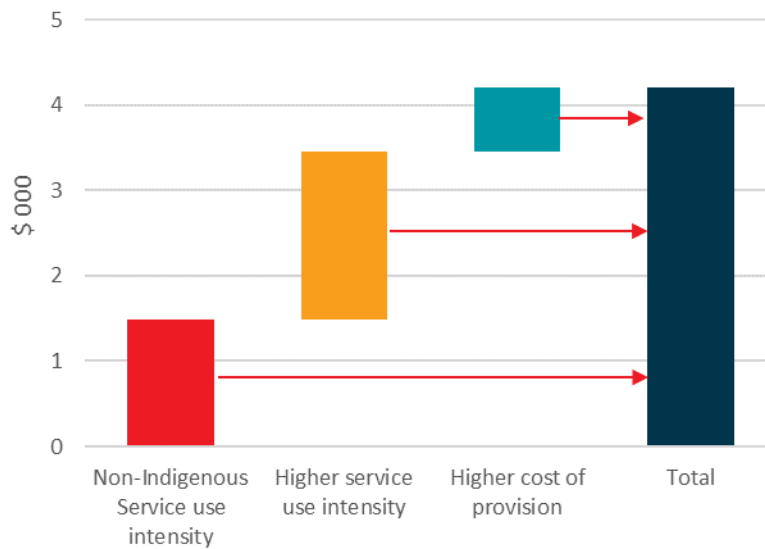
## Home environment

In 2015–16, almost 60 per cent of services relating to the home environment<sup>6</sup> were delivered as Indigenous-specific services. These services were mainly in the form of social housing providers operating across all remote and discrete Aboriginal and Torres Strait Islander communities.

However, the proportion of Indigenous-specific housing providers has fallen significantly as community housing was moved to mainstream management under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) (DHPW 2017; Habibis et al. 2016).

In 2015–16, the Queensland Government spent just over \$4,200 per person in remote and discrete Aboriginal and Torres Strait Islander communities on services related to the home environment, predominantly on social housing. This compares to just over \$2,500 per indigenous person across Queensland, generally.

**Figure 14 Breakdown of differences in per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—home environment**



Source: QPC experimental estimates.

The higher levels of service use intensity largely relate to the very high levels of social housing that exists in the discrete communities. Reducing demand for social housing in these communities is challenging, owing to historical tenure issues (discussed further in Chapter 13).

<sup>6</sup> Home environment services include housing, community and environmental services, and transport and communications.

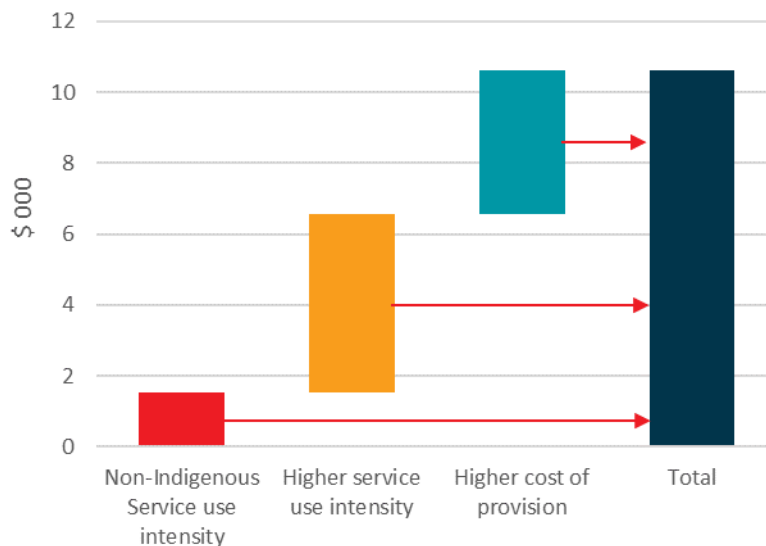
## Safe Communities

Services relating to community safety<sup>7</sup> represent the highest area of expenditure in remote and discrete Aboriginal and Torres Strait Islander communities, accounting for around 37 per cent of all expenditures (\$447 million). It is also the service area with the largest expenditure ‘gap’—per capita expenditures in remote and discrete Aboriginal and Torres Strait Islander communities are almost eight times as high as for the state-wide non-Indigenous population (Figure 15).

Expenditures on community safety predominantly relate to policing, child safety, courts and detention; together accounting for 68 per cent of all expenditures on safe communities. The remaining expenditures relate mainly to aged care and disability services.

Fourteen per cent of expenditures go towards Indigenous-specific service delivery.

**Figure 15 Breakdown of differences in per capita Queensland Government expenditures on Aboriginal and Torres Strait Islander persons—safer communities**



Source: QPC experimental estimates.

Large gains could be made from expenditure on programs that address the underlying causes of community dysfunction, which result in the high rates of service use intensity. In 2015–16, the higher service use intensity accounted for over \$300 million dollars of public expenditure and imposed large human costs on communities (discussed further in Chapter 15).

### 3.7 Alternative estimates—agency estimates

In 2014, DATSIP commissioned Queensland Treasury Corporation (QTC) to collect and collate Queensland Government information on expenditures in discrete Aboriginal and Torres Strait Islander communities. These data have been provided to the Commission for the financial years 2014–15 and 2015–16.

While the data provide useful information at a community level, they have limitations:

<sup>7</sup> The Safe Communities program includes services relating to public order and safety, community support and welfare, and recreation and culture.

- They do not distinguish between capital and non-capital expenditures. This makes year-to-year or cross-community comparison difficult. A better approach would be to amortise all capital costs, and include these in the expenditure estimates.
- They do not include expenditures on services that are provided outside of communities but are accessed by community residents—these include hospital and justice costs not incurred in the community.
- They do not include any head office or regional office functions or other indirect costs of service delivery. These costs may be a substantial component of overall expenditures.
- There are inconsistencies in the way that agencies reported expenditures—possibly a reflection of limitations in the ability of agency financial systems to meet reporting requirements.

The DATSIP agency data show that, overall, the Queensland Government spent \$593 million in discrete Aboriginal and Torres Strait Islander communities in 2014–15. The Australian Government contributed a further \$152 million through NPARIH, which was administered by the State, taking the total expenditure to \$745 million in 2014–15.

The headline estimates in section 3.5, above, include expenditures in both remote and discrete Aboriginal and Torres Strait Islander communities. Our estimate of expenditures in the discrete communities is approximately \$900 million (for 2015–16).

These two estimates are not directly comparable because of the limitations discussed above, and the fact that the DATSIP data is for 2014–15, while our estimate is for 2015–16.

### 3.8 Community-level estimates—case studies

The Commission has prepared community-level estimates that are intended to provide a more nuanced picture of expenditures in remote and discrete communities. They provide a snapshot of the services available on the ground in two selected communities to:

- identify the number of services operating in communities
- better understand how expenditures provide services on the ground
- examine whether there are gaps or duplication in service delivery.

The community-level estimates cannot be compared directly to the headline expenditure estimates, since they do not include:

- expenditures on services delivered outside the community that residents may access
- agency head office costs
- expenditures for which data are unavailable—for example, some data on expenditures on health-related services.

The Commission selected two communities—Hope Vale and Aurukun—for which sufficient information was available to assemble a reasonably complete and up-to-date picture of service provision.

While all services are included in the analysis, financial data is only available for funding sourced through the Queensland Government. Even for State-funded services, in many cases we were unable to identify the quantum of expenditures allocated to support individual services.

The community-level estimates have been informed by unpublished data provided by DATSIP—these are service mappings undertaken by DATSIP's regional offices (DATSIP 2016b) and the Schedule of Investment in Queensland's discrete Aboriginal and Torres Strait Islander communities (QTC 2016).

## Hope Vale

Hope Vale is located around 60 kilometres north of Cooktown. It has a population of 1,125, of whom 95 per cent are Indigenous (QGSO 2016a).

In 2014–15, the Queensland Government spent at least \$23 million in Hope Vale, including almost \$9 million of Australian Government funding administered by the Queensland Government (Table 6). Of this, more than half related to the construction of new housing, mainly under NPARIH. Most remaining expenditures were on health care (mainly relating to a primary health care facility run by Queensland Health with expenditures of just under \$3 million), funding provided under the Natural Disaster Relief and Recovery Arrangements (NDRRA) (\$2.4 million), funding provided to council in lieu of rates revenue (\$1.5 million), police services (\$0.6 million) and funding for the Families Responsibilities Commission (\$0.4 million).

**Table 6 Identified expenditure, Hope Vale, 2014–15**

Category	Queensland Government Expenditure (\$)	Commonwealth funding administered by the State (\$)	Total (\$)
Community Safety	847,778		847,778
Economic Participation	511,472	63,014	574,486
Education and Training	398,040		398,040
Health and Wellbeing	4,004,960	260,393	4,265,353
Homes and Housing	3,944,684	8,149,680	12,094,364
Infrastructure and Local Government	3,900,198		3,900,198
Other	749,135	498,918	1,248,053
Total	14,356,267	8,972,005	23,328,272

Note: Expenditure data are incomplete and exclude most Australian Government expenditure other than for housing.

Of the expenditures identified, around 20 per cent, or \$4.5 million, was provided as grant funding (Table 7). Of these funds, \$2.4 million was provided for the repair of essential infrastructure damaged by natural disasters. A further \$1.5 million was provided to council in lieu of rates. These funds are required to meet basic municipal service delivery.

**Table 7 Expenditure by funding type, Hope Vale, 2014–15**

Expenditure type	Amount (\$)
Grant funding	4,535,619
Agency provision	14,339,610
Procurement of service	4,453,043
Total	23,328,272

We identified 78 different services, provided by 46 different service providers in Hope Vale (with a population of 1,125). There are 44 different funding programs across 11 Queensland Government departments. More than half of all services are either delivered externally to the community, or are provided on a drive-in, drive-out, or fly-in, fly-out basis (Table 8).

**Table 8 Service provision in Hopevale, 2014–15**

Service provider	In the community	Drive in/out or fly in/out	External	Unknown	Total
Government	7	18	1	1	27
NGO	7	21	1	2	31
Council	8	0	0	2	10
Private	10	0	0	0	10
Total	32	39	2	5	78

From the data available, it was not possible to determine the extent to which duplication of services existed. Nevertheless, conversations with stakeholders suggest such duplication occurs:

*Often, the first time remote communities are aware that a new service has been funded is when the service provider contacts council looking for an office to rent, or when the service provider places an advertisement for personnel in the local paper. This lack of engagement with the council/community at the front end of the funding allocation process creates the ideal setting in which duplication can, and does, occur. For example, Mornington Shire Council has documented ten (10) separate organisations that have been funded to deliver the same four programs (LGAQ sub. 14, p. 5).*

## Aurukun

Aurukun is a discrete community located approximately 100 km from Weipa and had a population of just over 1,400 in 2015, of which 90 per cent are Indigenous (QGSO 2016b).

The Commission was able to identify just over \$38 million of Queensland Government expenditures made in Aurukun in 2015–16, including \$14.7 million of Australian Government funding administered by the Queensland Government (Table 9).

Approximately 43 per cent of identified funding was for the construction and maintenance of housing. Other significant costs included primary health care (\$3.8 million), policing costs (more than \$2.1 million) and \$1.8 million in funding to the Cape York Aboriginal Australian Academy to provide education and training.

**Table 9 Identified expenditure, Aurukun, 2014–15**

Category	Queensland Government Expenditure (\$)	Commonwealth funding administered by the State (\$)	Total (\$)
Community Safety	4,067,116		4,067,116
Economic Participation	451,371		451,371
Education and Training	2,626,058		2,626,058
Health and Wellbeing	5,125,631	\$226,463	5,352,094
Homes and Housing	2,952,564	13,531,810	16,484,374
Infrastructure and Local Government	6,180,247		6,180,247
Other	2,100,959	942,826	3,043,785
Total	23,503,946	14,701,099	38,205,045

Note: Expenditure data is incomplete and excludes most Commonwealth expenditure other than for housing.

Of the expenditures identified, approximately one-quarter, or \$9.5 million, was provided as grant funding (Table 10). Of this funding, \$4.3 million was provided for the repair of essential infrastructure damaged by natural disasters. A further \$1.1 million was provided to council in lieu of rates.

**Table 10 Expenditure by funding type, Aurukun, 2014–15**

Expenditure Type	Amount (\$)
Grant funding	9,546,796
Agency provision	16,579,504
Procurement of service	12,078,745
Total	38,205,045

We were able to identify 58 services being provided in Aurukun. Just under half of the services were provided by NGOs. Around half of the service providers were located in the community (31 providers), with the remainder provided on a drive-in, drive-out, or fly-in, fly-out basis (Table 11).

**Table 11 Service provision in Aurukun**

Service provider	In the community	Drive in/out or fly in/out	Unknown	Total
Government	3	16	1	20
NGO	16	8	1	25
Council	6	0	0	6
Private	6	0	1	7
Total	31	24	3	58

---

## Key findings

Consistent community-level information on service delivery expenditures, would aid decision-making.

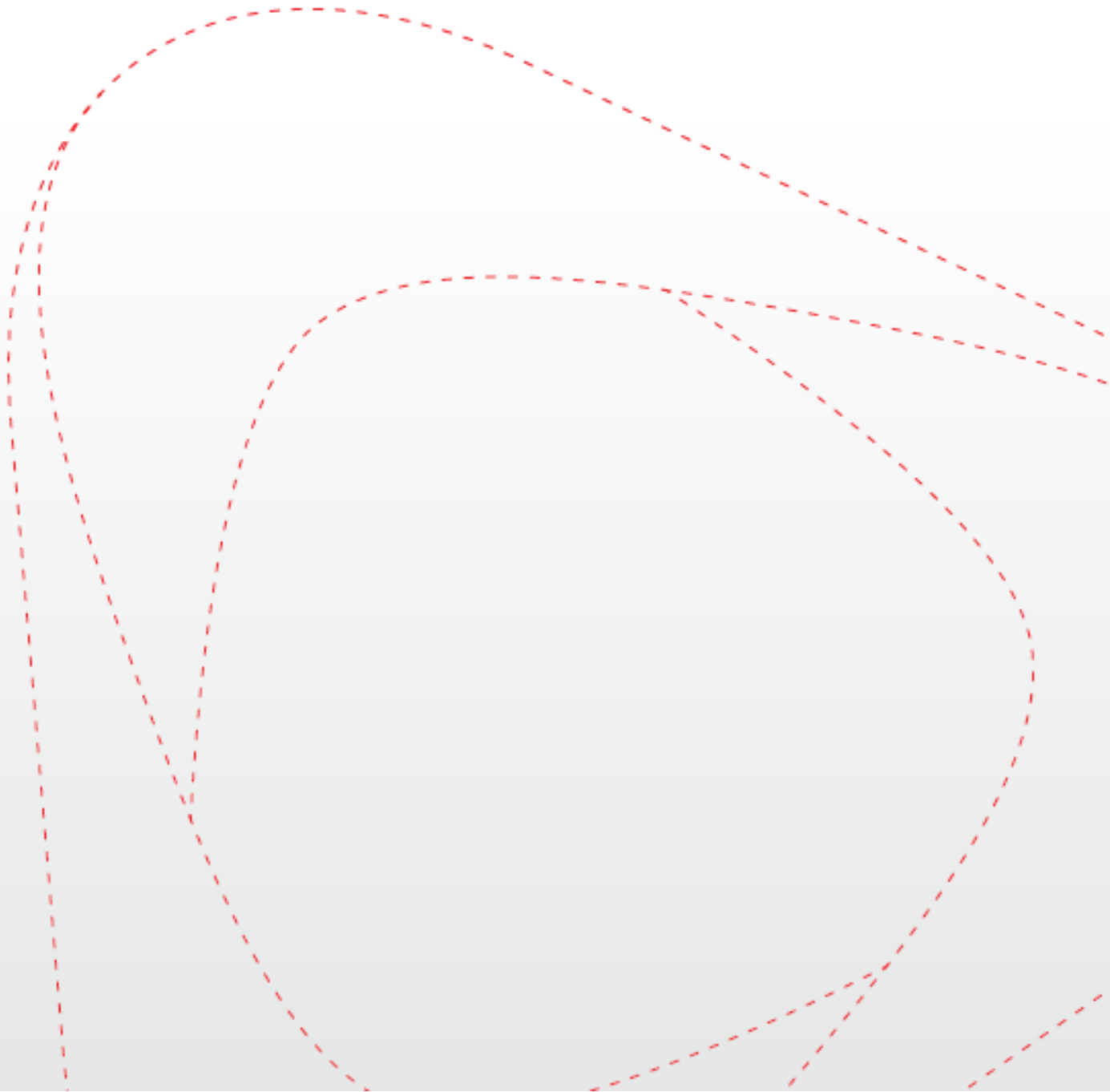
Significant improvements to the collation and distribution of expenditure information would assist stakeholders to improve community-level decision-making.

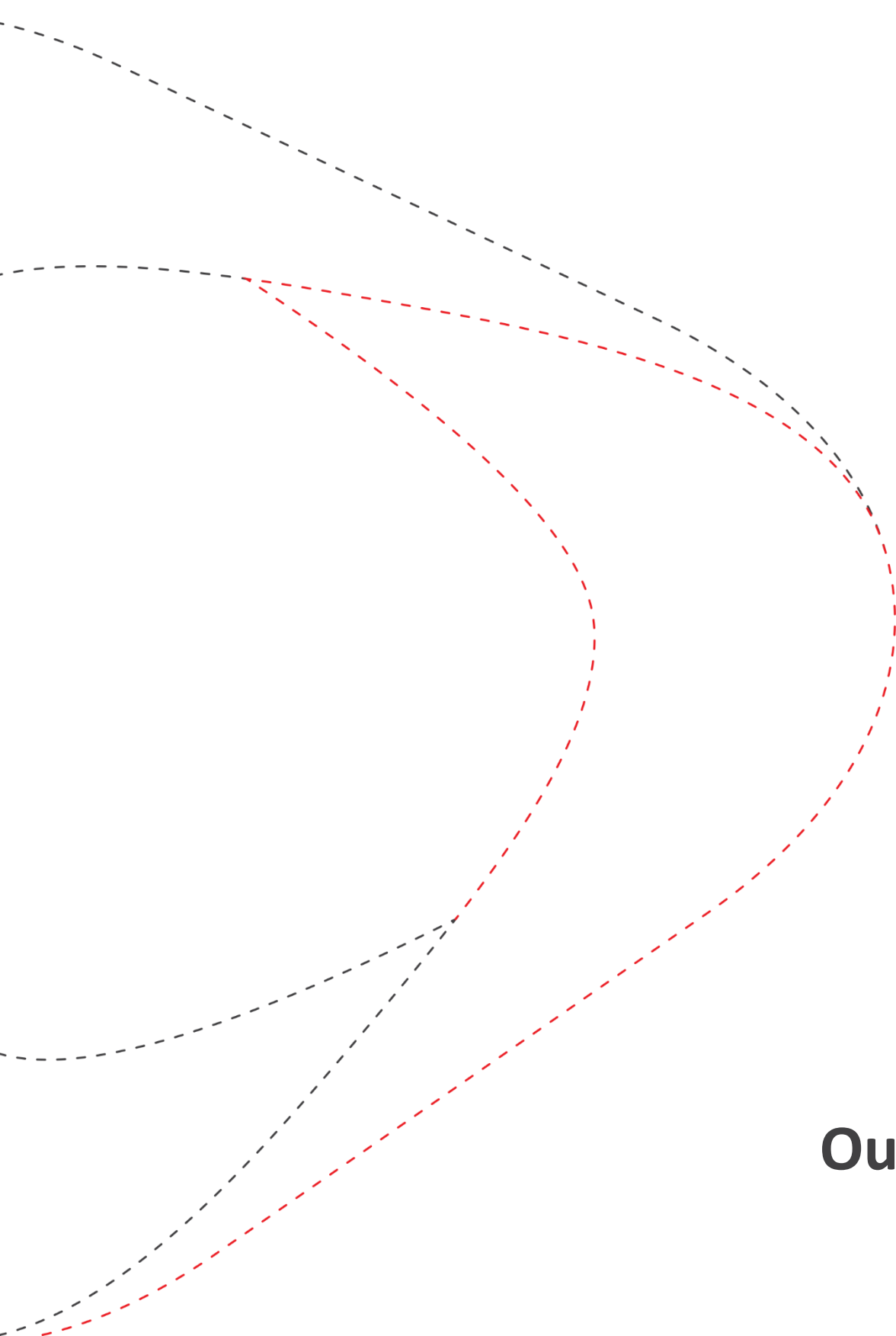
Addressing the underlying causes of high service use in remote and discrete Aboriginal and Torres Strait Islander communities could result in large potential savings.

A large proportion of expenditures appears to be consumed by ancillary or indirect costs, rather than frontline service delivery—this is compounded by high administrative and compliance costs, and a lack of coordination.

The information available to the inquiry suggests that most expenditure decisions occur in agencies, with service being centrally commissioned; there is little evidence of community involvement.

---





# 4.0 Outcomes

*This chapter provides an overview of the outcomes in Queensland’s remote and discrete Aboriginal and Torres Strait Islander communities.*

## Key points

- As there is no single accepted indicator of community wellbeing, outcomes are measured using a suite of indicators such as educational attainment, arrest rates, employment and health indicators. These may not reflect wellbeing or the aspirations of Aboriginal and Torres Strait Islander people living in remote and discrete communities.
- Disadvantage is generally greater in remote and discrete communities:
  - The 16 most disadvantaged local government areas in Queensland are all discrete communities (as measured by the ABS Index of Relative Socio-Economic Advantage and Disadvantage).
  - Across a range of measures, including education, economic and health outcomes, Aboriginal and Torres Strait Islander people living in remote regions fare worse than their counterparts in the rest of the state.
  - This may not necessarily mean that wellbeing is worse for residents in remote and discrete communities—national data suggest that those living in remote areas may be better connected to their culture, have a greater social network and have a lower incidence of poor mental health.
- There is little economic activity in remote and discrete communities and high unemployment. Available employment in mainland discrete communities is concentrated in the public sector, making up almost half of all jobs. Three sectors—education, health, public administration and safety—account for 67 per cent of all Indigenous employment.
- Available data suggest progress in closing the gap on Indigenous disadvantage in remote and discrete Aboriginal and Torres Strait Islander communities has been slow:
  - Some progress has been made in educational attainment, health and overcrowding; however, outcomes are lower than for non-Indigenous Queenslanders and Indigenous Queenslanders in the rest of the state.
  - No or very little progress has been made in improving economic or community safety outcomes, and incarceration rates have worsened significantly.
- Indicators for the Torres Strait are significantly better than for other remote and discrete Aboriginal and Torres Strait Islander communities:
  - For some indicators, particularly in relation to education and economic participation, outcomes are on par with, or close to, outcomes for non-Indigenous Queenslanders in the rest of the state.
  - It is not clear why this is the case. A possible factor is that the Torres Strait region has been able to maintain strong governance, which has allowed it to exercise a degree of control over service delivery. This is consistent with the experience of Indigenous communities in northern America.

## 4.1 Data sources and challenges

There are significant data challenges to examining outcomes and progress in remote and discrete Aboriginal and Torres Strait Islander communities, including:

- the small size of populations in communities can introduce volatility that can make year-to-year comparisons meaningless—for many outcomes, longer time series may be required to infer whether meaningful change has occurred
- limited availability of timely, relevant and up-to-date data, particularly over longer time periods.

Outcomes reported in this chapter are largely limited to publicly available information (Box 4.1). A range of administrative data (such as incarceration rates by home postcode) that might help to shed light on outcomes in communities are available, but were not easily accessible for the purposes of this inquiry.

### Box 4.1 Indicators for remote and discrete communities

Key data sets used by the Commission include the following:

The *National Aboriginal and Torres Strait Islander Social Survey* provides the most comprehensive measure of outcomes for Indigenous persons in Australia. However, sample sizes are too small to make meaningful comparisons over time or between Queensland's regions.

The Australian Bureau of Statistics' *Census of Population and Housing* provides the most comprehensive indicators available at the community level. However, there are concerns about undercounting in remote Indigenous communities and the data relate largely to population, housing and employment or study.

The Queensland Government Statistician's Office publishes data on communities, and has also made unpublished data available to the Commission.

The Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) also holds data, and provides some community-level Census data through its community profiles.

Queensland Health publishes comprehensive data on Indigenous health outcomes through its *Closing the Gap* (Queensland Health, 2015) and *Burden of Disease and Injury in Queensland's Aboriginal and Torres Strait Islander People* (Queensland Health, 2017, 2014) reports. Data does not always differentiate remote parts of Queensland and little contemporary data available for remote communities.

Torrens University Australia's Public Health Information Development Unit regularly publishes a *Social Health Atlas*, which includes social and health indicators for Indigenous persons at the Indigenous Area (IARE) level.

The Australian Early Development Census (AEDC) publishes a nationwide data collection of early childhood development, undertaken every three years of children commencing their first year of full-time school. It collects data relating to five key areas of early childhood development: physical health and wellbeing; social competence; emotional maturity; language and cognitive skills; and communication skills and general knowledge.

NAPLAN data, showing education outcomes by Indigenous status and remoteness, are published by the Australian Curriculum Assessment and Reporting Authority.

These challenges aside, it is widely recognised that Indigenous people’s perceptions of wellbeing extend beyond the indicators commonly used in reporting frameworks (Taylor, 2006; United Nations 2006). There is also no single accepted indicator of wellbeing (ABS 2001; OECD 2011), and none for Aboriginal and Torres Strait Islander communities. As a result, community-level outcomes are measured using a suite of indicators such as educational attainment, arrest rates, employment and health indicators. This means that care should be used when reading the outcome data in this chapter—they may provide incomplete indicators of the progress being made in Queensland’s remote and discrete communities.

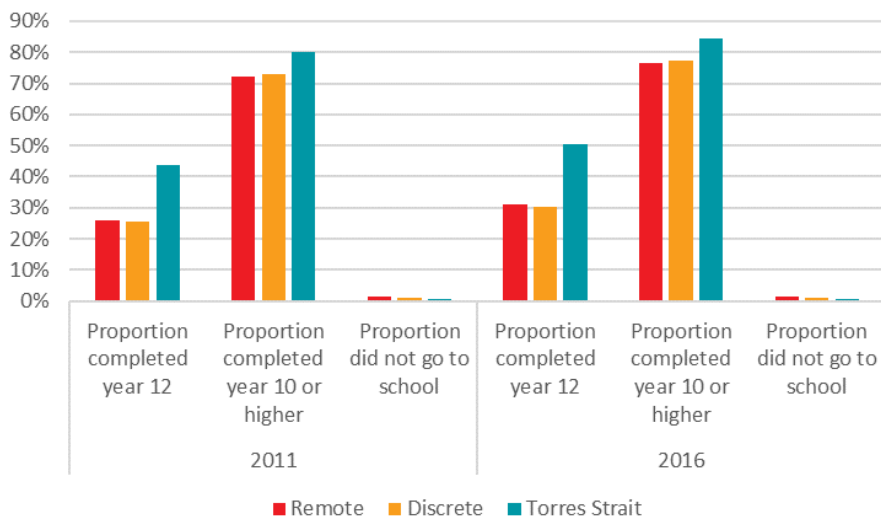
Frameworks for measuring wellbeing are discussed further in Chapter 10 (Evaluation).

## 4.2 Education

### Year 12 attainment is low but increasing

School completion rates (to Year 12) have increased over the past five years. However, they remain lower than the Queensland average. In 2016, 31 per cent of Indigenous people in remote communities completed Year 12, compared with 39 per cent of Indigenous people in Queensland and 56 per cent of people in Queensland. Similarly, in 2016, 77 per cent of Indigenous people in remote communities completed year 10, compared to 81 per cent of Indigenous people in Queensland and 89 per cent of non-Indigenous people in Queensland.

**Figure 16 Highest level of schooling completed, 2011–2016**



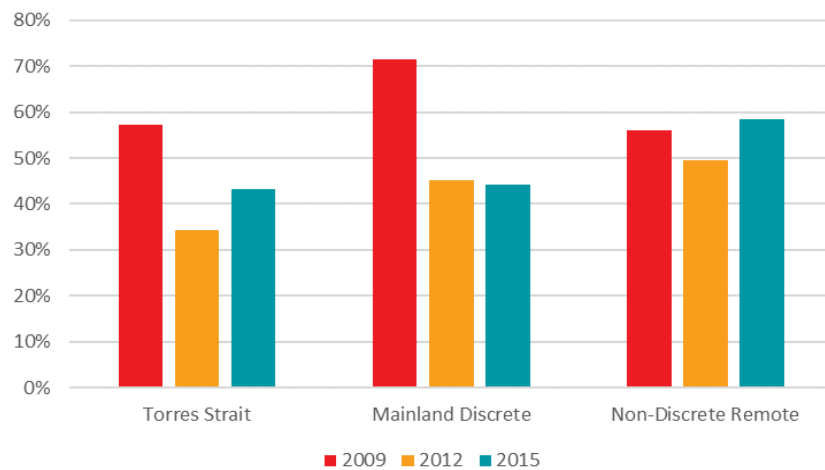
Source: ABS, 2016a, 2011a.

## A high proportion of children starting school are considered developmentally vulnerable

Children in remote and discrete Aboriginal and Torres Strait Islander communities are more likely to be considered developmentally vulnerable in at least one domain.<sup>8</sup> In 2015, 26 per cent of children in Queensland were considered developmentally vulnerable in at least one domain, compared to 44 per cent of children in mainland discrete communities and 43 per cent in the Torres Strait. While figures for individual communities are volatile due to small population sizes, there have been significant improvements in some communities (AEDC 2015).

Figure 17 shows the proportion of developmentally vulnerable children decreased in mainland discrete communities between 2009 and 2012, but has not materially changed after this. Results in non-discrete remote communities have not improved.

**Figure 17 Proportion of children developmentally vulnerable in one or more domains, 2009–2015**



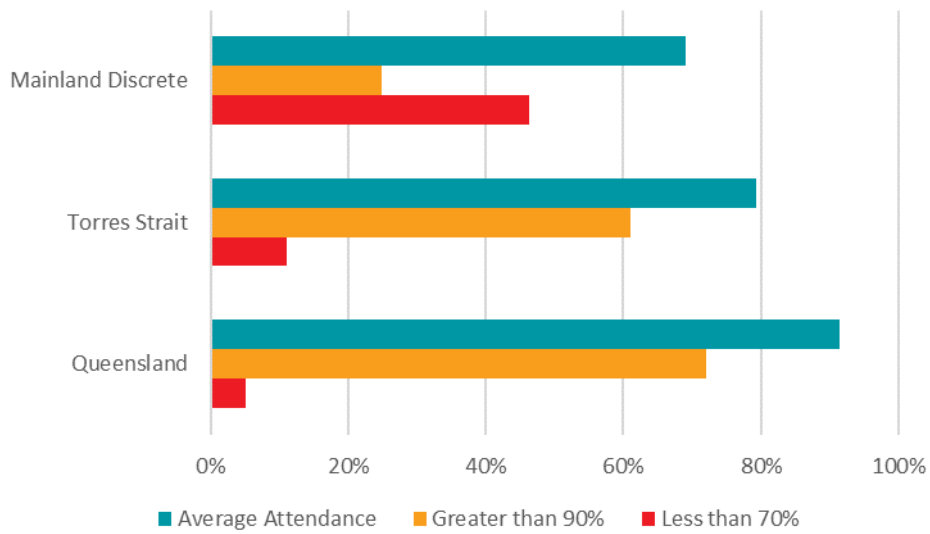
Source: Australian Government 2016; PHIDU, 2017.

## School attendance rates are lower in discrete communities

In Queensland's mainland discrete communities students attended on average 69 per cent of classes, with only 25 per cent of students attending more than 90 per cent of classes. While in the Torres Strait students attended 79 per cent of classes, with 61 per cent of students attending more than 90 per cent (Figure 18).

<sup>8</sup> The Australian Early Development Census collects data relating to five areas of early childhood development, referred to as 'domains'. These include: physical health and wellbeing; social competence; emotional maturity; language and cognitive skills; and communication skills and general knowledge.

Figure 18 School attendance rates, semester 1, 2016



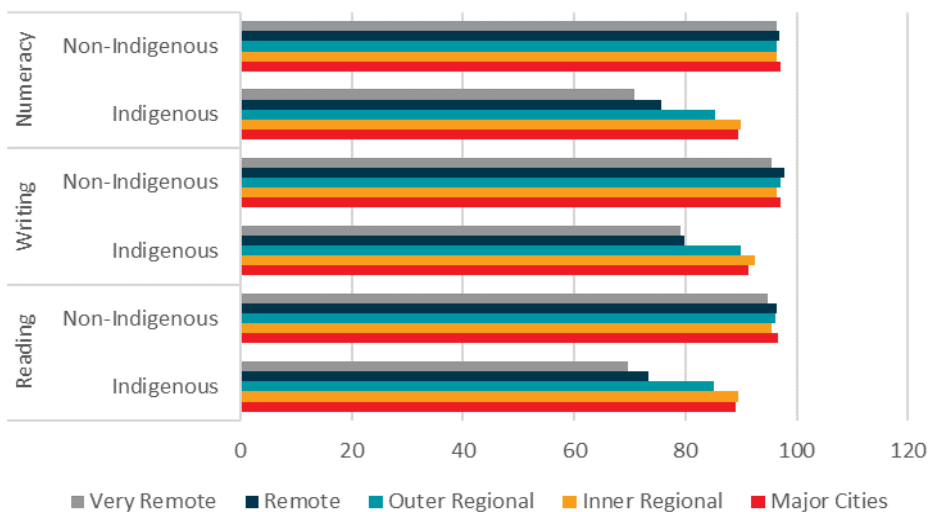
Source: DATSIP 2017; DET 2017.

### NAPLAN results are lower in remote areas

NAPLAN reporting is available only by Indigenous status and by remoteness for 2008 through to 2016. While results are available by school, many students from discrete communities go to school outside of their community.

NAPLAN results are lower for Indigenous compared to non-Indigenous people, and this difference increases significantly with remoteness. In 2016, the proportions of Indigenous Year 3 students in remote Queensland who achieved the national minimum standards in reading, writing and numeracy were 73 per cent, 80 per cent and 76 per cent per cent respectively, compared to 96 per cent, 98 per cent and 97 per cent per cent for non-Indigenous students.

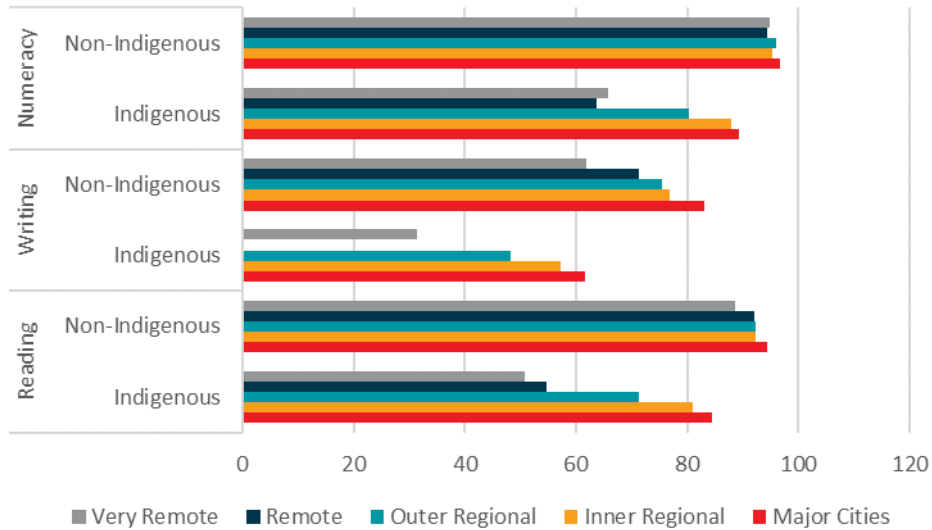
Figure 19 Proportion of students above national minimum standards, NAPLAN, Year 3, 2016



Source: ACARA 2017a.

The results are similar for Year 9 (Figure 20). Remote Indigenous students also performed worse than non-remote Indigenous students.

**Figure 20 Proportion of students above national minimum standards, NAPLAN, Year 9, 2016**

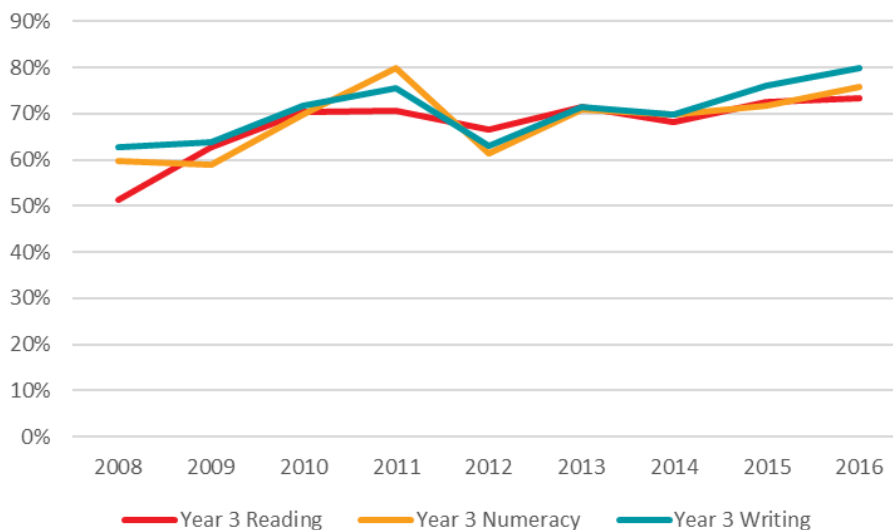


Source: ACARA 2017a.

Progress against NAPLAN has been mixed, with results varying significantly from year to year, making the identification of long terms trends difficult.

While there are signs of improvement in year 3 reading and writing, there does not appear to be any long-term improvement in trends for numeracy (Figure 21).<sup>9</sup>

**Figure 21 Proportion of remote Indigenous students above national minimum standards, NAPLAN, Year 3, 2008–16**

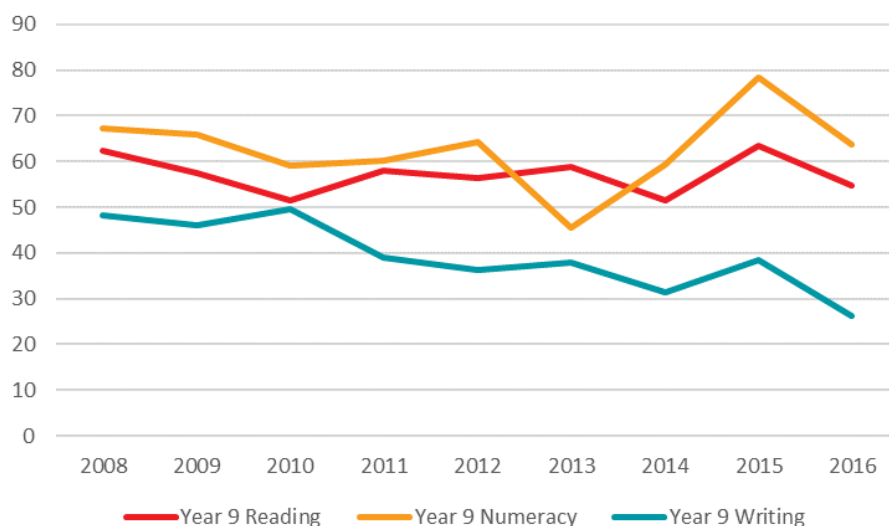


Source: ACARA 2017a.

<sup>9</sup> The writing test was changed in 2011 from narrative writing to persuasive writing, meaning results can only be compared from 2011 to 2016.

At the Year 9 level, while 2015 was the best performing year since the national minimum standards were introduced in 2008, there does not appear to be any long-term improvement in trends for remote indigenous students in reading, writing or numeracy (Figure 22).

**Figure 22 Proportion of remote Indigenous students above national minimum standards, NAPLAN, Year 9, 2008–16**



Source: ACARA 2017a.

### 4.3 Economic participation

Participation for Indigenous populations generally falls as remoteness increases

In 2014–15, the unemployment rate for Aboriginal and Torres Strait Islanders living in remote parts of Queensland was over 30 per cent (compared to under 3 per cent for non-Indigenous Queenslanders). Labour force participation was lower compared to non-remote regions or to the non-Indigenous population (Table 12).

**Table 12 Labour force statistics by remoteness, Queensland, 2014–15**

	Unemployment Rate		Labour Force Participation Rate	
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Major cities	16.3	5.9	73.7	79.3
Inner regional	33.6	5.7	70.0	75.1
Outer regional	20.7	6.5	64.3	79.0
Remote	34.9	2.9	60.3	86.6
Very remote	30.3	0.0	59.7	—
Total	25.2	5.9	66.2	78.7

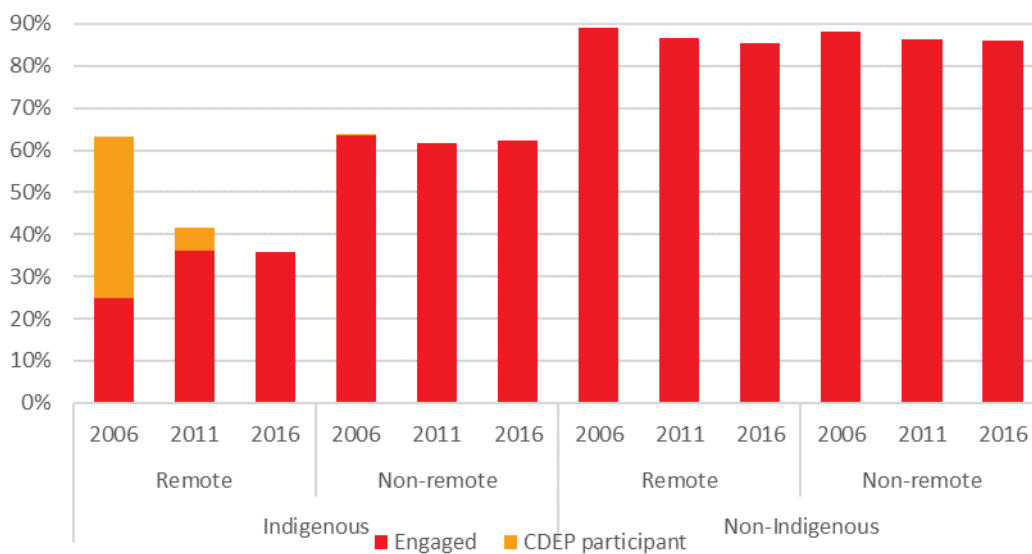
Source: ABS 2016b.

## Progress on economic outcomes in remote areas is mixed

The phasing out of the Community Development Employment Program (CDEP) since 2008 makes comparisons of labour force status in 2016 and 2011 with 2006 difficult. CDEP participants were previously classified as employed by the ABS; when the program was phased out, participants transitioned into either employment or NewStart (unemployed).

Overall engagement of 18 to 24 year olds in work or education increased for Indigenous people in Queensland between 2011 and 2016, while decreasing for non-Indigenous youths. Excluding CDEP participation, Indigenous engagement in remote areas, remains at similar levels in 2016 as it was in 2011.

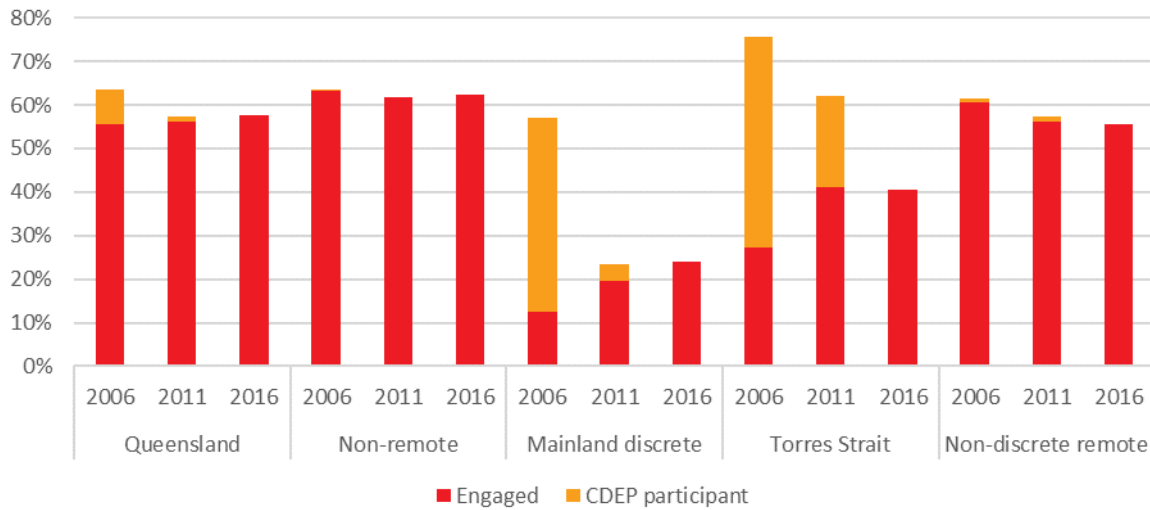
**Figure 23 Proportion of 18–24 year-olds fully or partially engaged in work or study, by remoteness, 2006–16**



Source: ABS 2016a, 2011a, 2006.

Between 2011 and 2016, youth engagement rates in work or study, increased in mainland discrete communities but decreased in Torres Strait communities (Figure 24). In non-discrete remote areas, Indigenous engagement in work or study (56 per cent) is over twice that in discrete communities (24.2 per cent). However, in non-discrete remote areas, Indigenous engagement has fallen around 6 percentage points since 2006.

**Figure 24 Proportion of Indigenous 18–24 year-olds fully or partially engaged in work or study, 2006–16 by area**

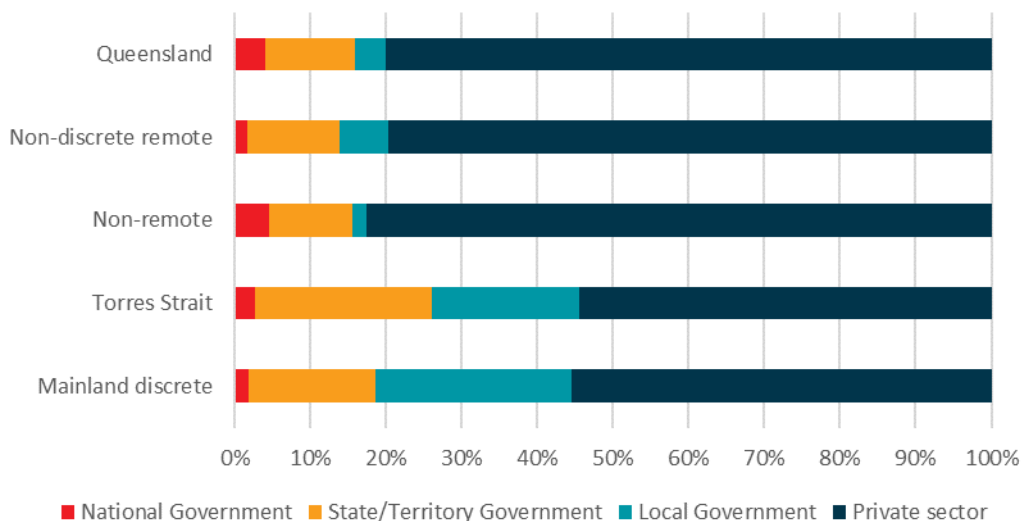


Source: ABS 2016a, 2011a, 2006.

### Discrete communities depend on public funding for jobs

In 2016, 20 per cent of employed Indigenous Queenslanders worked in the public sector. However, this proportion rises to 46 per cent in the Torres Strait and 45 per cent in mainland discrete communities. While local governments represent 1.6 per cent of all jobs and 4.1 per cent of Indigenous jobs in Queensland, in mainland discrete communities they account for 26 per cent of all jobs. In non-discrete remote communities, the private sector provided most (80 per cent) jobs (Figure 25).

**Figure 25 Indigenous employment by sector, 2016**



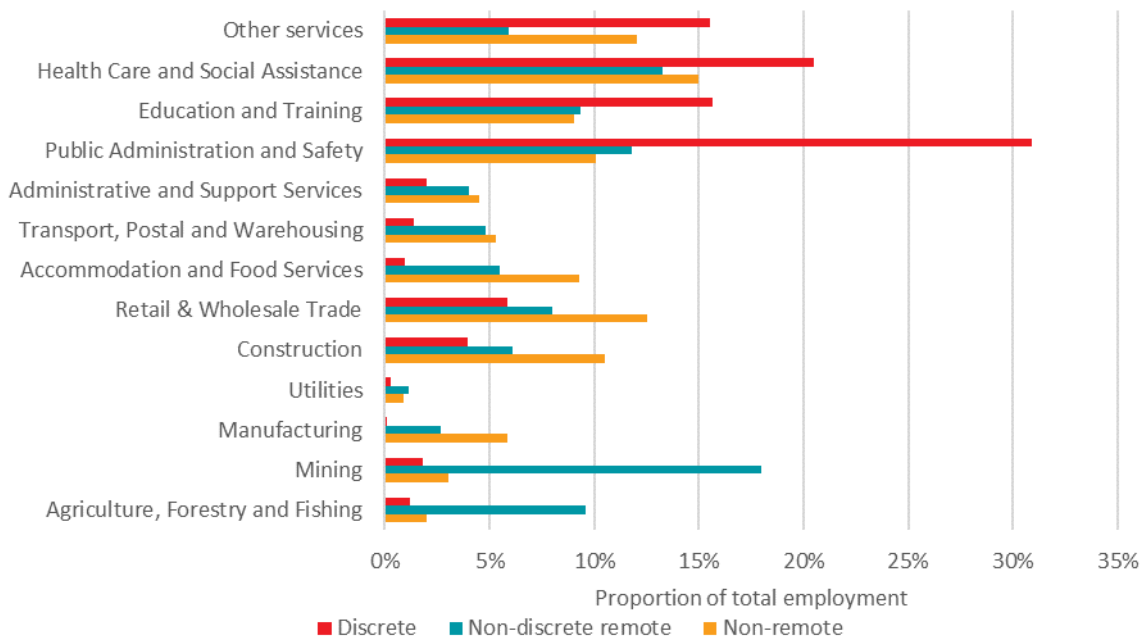
Source: ABS 2016a.

While the ABS data does not provide a breakdown of non-government jobs, many of these, particularly in discrete communities, are likely to be reliant on public funding. These include NGOs providing services in communities that are funded by government.

This is reflected in the lack of economic diversity in discrete Aboriginal and Torres Strait Islander communities. Figure 26 shows employment in Queensland’s discrete communities by industry sector. The three largest sectors—education; health and public administration and safety; which are largely dependent on public funding—account for 67 per cent of total Indigenous employment.

In comparison, Queensland’s non-discrete remote communities have much greater diversity of employment. The three largest employers of Indigenous people in non-discrete remote communities in 2016 were mining 18 (per cent); health (13 per cent) and agriculture, forestry and fishing (10 per cent). Education and health; public administration and safety; and other services, account for only 34 per cent of indigenous employment in non-discrete remote communities.

**Figure 26 Indigenous employment by industry in Queensland, 2016**



Source: ABS 2016a.

## 4.4 Health

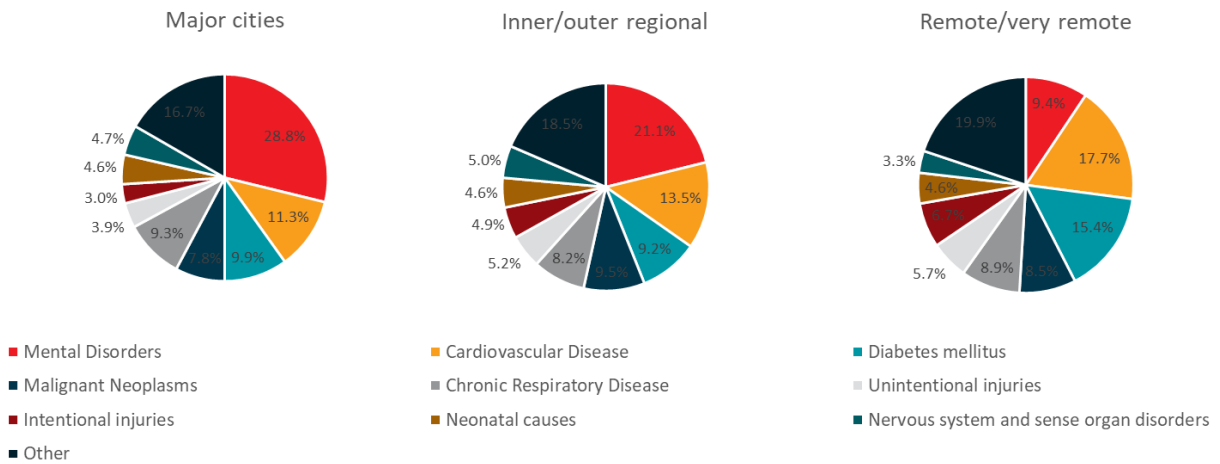
### The burden of disease and injury is higher in remote Indigenous communities

In remote parts of Queensland, the burden of disease and injury for Indigenous Queenslanders rises to 2.4 times that of Queensland’s non-Indigenous population (using an age-standardised rate per 1,000 population).

In 2011, for Queensland’s remote Indigenous population (Figure 27):

- the largest contributor to the burden of disease and injury was cardiovascular disease (responsible for 48.9 years of lost life and 15.5 years of disability per 1,000 population and making up 17.7 per cent of the total burden)
- the second-largest contributor was diabetes (responsible for 38.8 years of lost life and 19.5 years of disability per 1,000 population).

Figure 27 Burden of disease and injury by broad cause and remoteness for Indigenous Queenslanders, 2011



Source: Queensland Health 2017b.

While mental disorders represent the single largest cause of the burden of disease and injury for Indigenous persons living in major cities (28.8 per cent), they are only the third-largest cause in remote Queensland (9.4 per cent). However, while mental disorders are a much smaller cause of the burden of disease and injury in remote areas, intentional injuries (including suicide and self-harm) is a much larger component of the total burden in remote areas (1.8 times the Indigenous average).

Aboriginal and Torres Strait Islanders living in remote areas also have lower health-adjusted life expectancy<sup>10</sup> than Aboriginal and Torres Strait Islanders living in cities. While Queenslanders born in 2007 could expect to live 73.5 years of healthy life and Indigenous persons in major cities could expect to live 65.3 years free of disability, the health-adjusted life expectancy of Indigenous persons in remote areas was only 57.8 years in 2007 (Queensland Health 2014).

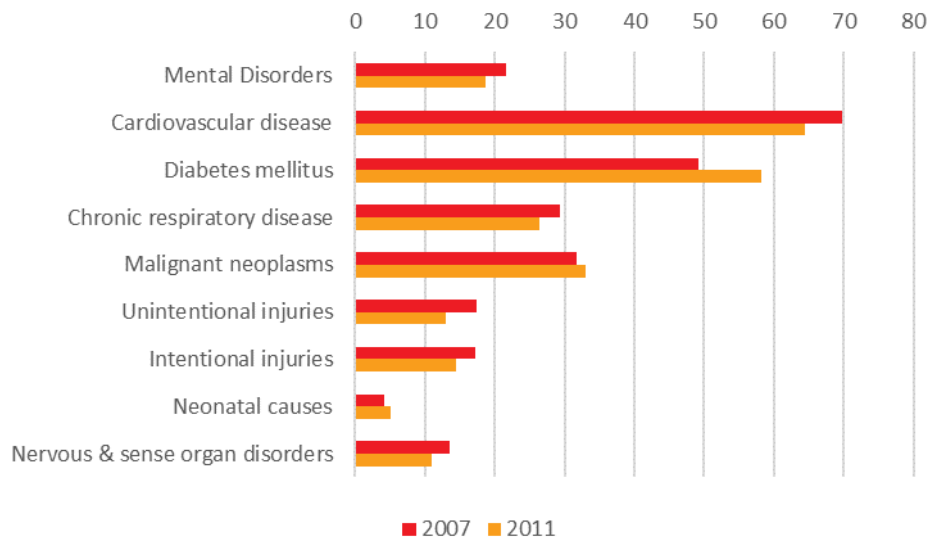
### Health outcomes have improved

Some progress appears to have been made in improving health outcomes for Aboriginal and Torres Strait Islanders living in remote parts of Queensland. The number of years of life lost to premature death or disability fell by 5.7 per cent, from 315 per 1,000 people in 2007 to 297 in 2011 (Queensland Health 2017, 2014).

This fall is consistent across most of the major components of the total burden of disease and injury (Figure 28). However, years lost to premature death from diabetes increased 18.3 per cent from 49.2 per 1000 people in 2007 to 58.2 in 2011. The burden from neonatal causes also increased from 4.1 years in 2007 to 5.0 in 2011 and the burden from cancer also rose from 31.7 years in 2007 to 33.0 years in 2011.

<sup>10</sup> The health-adjusted life expectancy is a measure of the number of years a person can expect to live in perfect health from birth. It differs from a standard life expectancy in that it takes into account non-fatal outcomes.

**Figure 28 Burden of disease and injury (years of healthy life lost per 1,000 people) for Aboriginal and Torres Strait Islanders in remote parts of Queensland, 2007–2011**



Source: Queensland Health 2017, 2014.

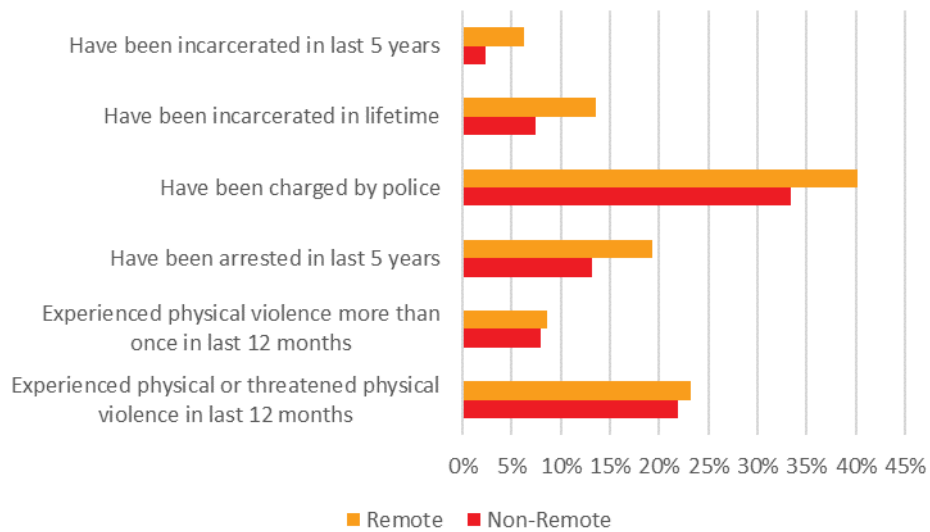
The breakdown of the total burden (years of life lost to premature death and years of healthy life lost to disability) in remote regions is not publicly available. However, across all Indigenous persons in Queensland, while the fatal burden due to cardiovascular disease declined significantly between 2007 and 2011, the non-fatal burden remained the same. This likely indicates that improvements have been made in treating Indigenous people with cardiovascular disease, rather than preventing it.

## 4.5 Community safety

Indigenous people living in remote areas are more likely to have experienced violence

National data (Figure 29) shows that Indigenous people in remote communities are more likely to have experienced physical or threatened physical violence, been arrested or been incarcerated in the past five years than Indigenous people living in non-remote communities.

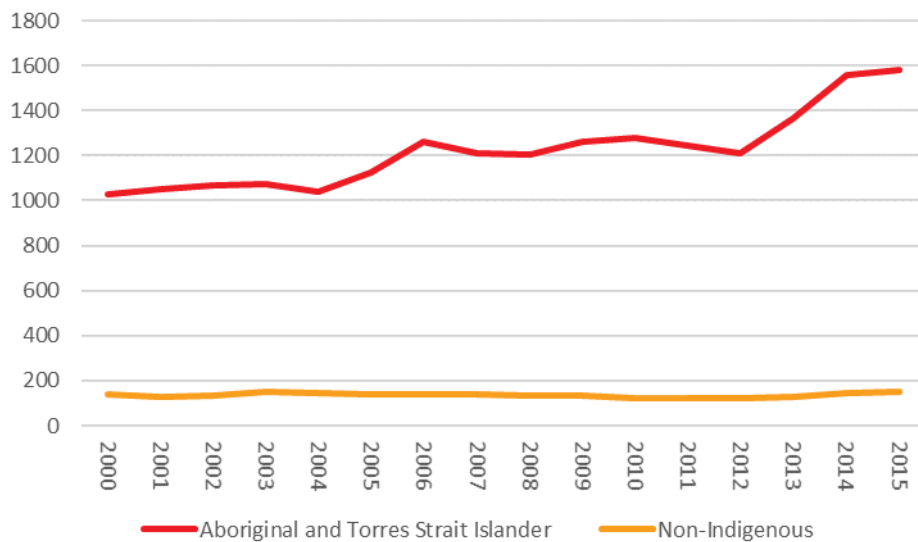
Figure 29 Community safety, percentage of people who have experienced, selected indicators, 2014–15



Source: ABS 2016b.

Overall Indigenous incarceration rates have increased significantly in Queensland since 2000. As demonstrated in Figure 30, Indigenous incarceration rates have risen 53 per cent since 2000, while non-Indigenous incarceration rates rose only 8.5 per cent in the same period. While total incarceration rates have risen steeply since 2012, Indigenous incarceration rates rose faster (30 per cent) than the non-Indigenous rate (23 per cent) over this period.

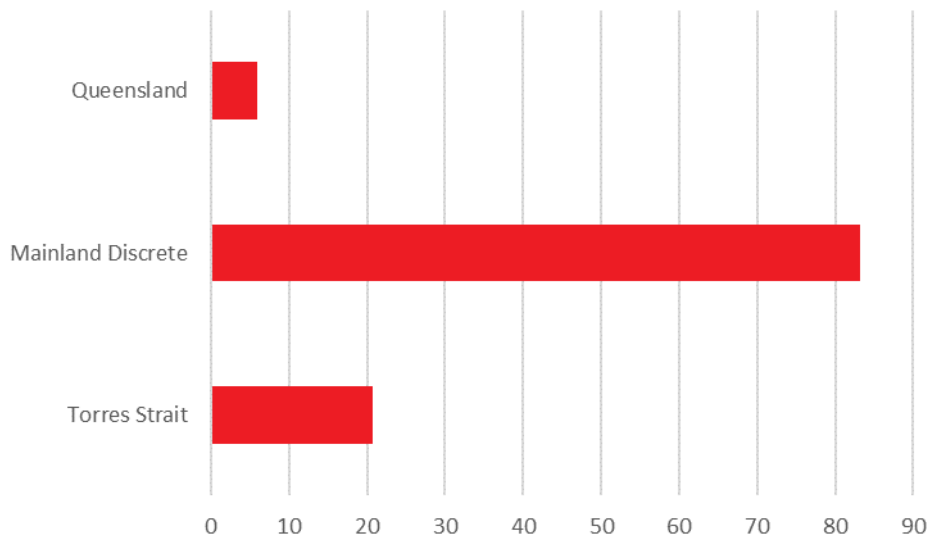
Figure 30 Incarcerations: age-standardised rate per 100,000 population



Source: Australian Law Reform Commission 2017.

In 2014–15, reported offences against the person were significantly higher in discrete communities. While offence rates were also higher in the Torres Strait compared to the rest of Queensland, the rate of reported offences was approximately a quarter of that in mainland discrete communities.

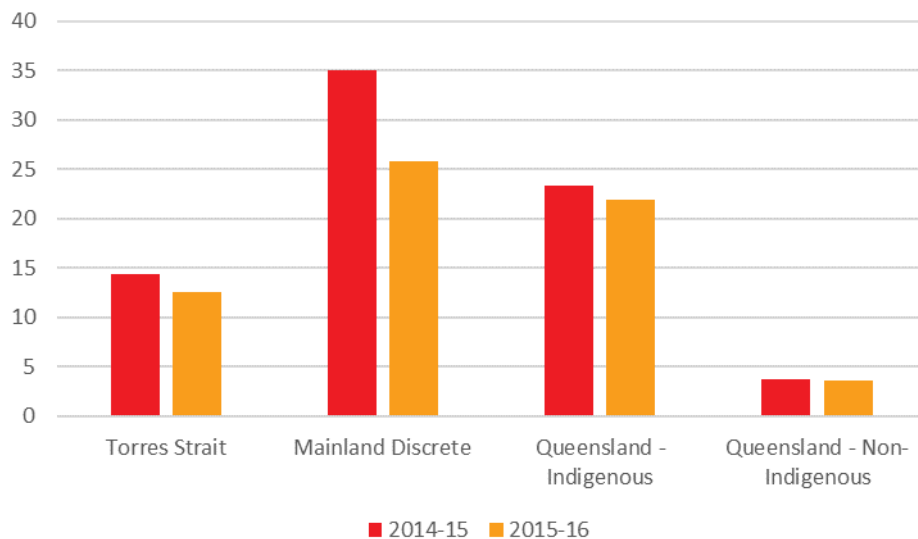
**Figure 31 Reported offences against the person (rate per 1,000), 2015–16**



Source: DATSIP 2017.

For child safety, the rate of child safety substantiations in Queensland’s remote and discrete Aboriginal and Torres Strait Islander communities is higher than the Indigenous average in Queensland. The Torres Strait has a lower rate of substantiations than the Indigenous average, although it remains higher than the non-Indigenous rate. The overall rate of substantiations for Indigenous children has fallen from 25.8 per 1,000 population aged 0–17 in 2012–13 to 21.9 in 2015–16. The rate of substantiations in discrete communities fell between 2014–15 and 2015–16 (pre-2014–2015 data is not available in the same form to indicate whether this is a sustained trend).

**Figure 32 Number of children subject to substantiations, rate per 1,000 population aged 0–17, 2014–15 and 2015–16**



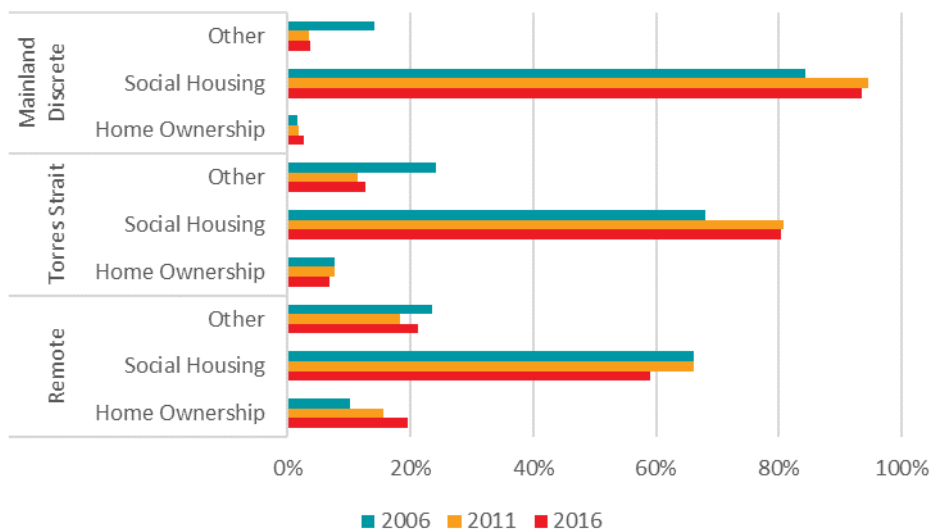
Source: DATSIP 2016, 2017, DCCSDS 2017.

## 4.6 Housing

### Home ownership rates are low

Housing in Queensland’s remote and discrete Aboriginal and Torres Strait Islander Communities is primarily social housing (59 per cent in 2016). This rises to 90 per cent in discrete communities and 80 per cent in the Torres Strait. While improvements have been made in rates of Indigenous home ownership in remote Queensland, rising from 10 per cent in 2006 to 20 per cent in 2016, there has been little change in discrete communities or in the Torres Strait.

**Figure 33 Housing by tenure type, Indigenous residents, 2006–16**



Source: ABS 2016a, 2011a, 2006.

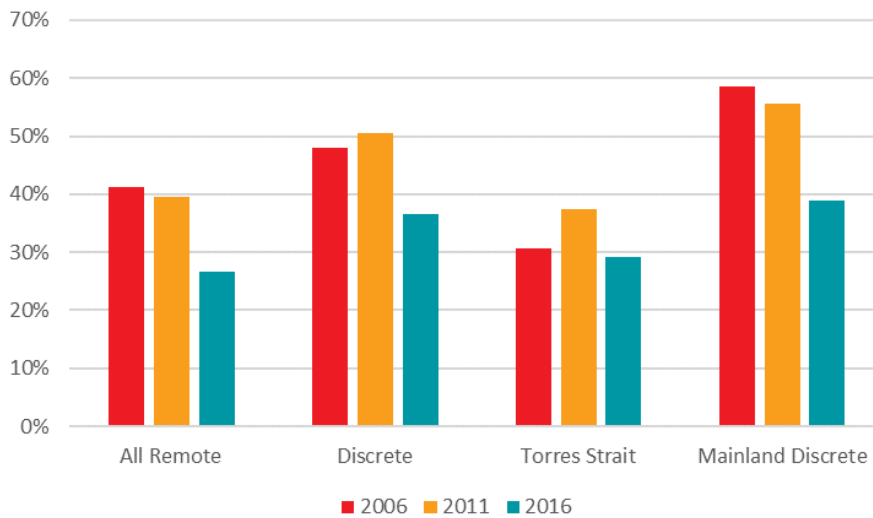
### Overcrowding is high but improving

Indigenous households in Queensland’s remote and discrete Aboriginal and Torres Strait Islander communities also experience greater levels of overcrowding than elsewhere in Queensland. Using a measure of the number of households with at least three more persons than bedrooms, 27 per cent of Indigenous households in remote and discrete communities were overcrowded in 2016. This increases to 39 per cent in mainland discrete communities and 29 per cent in the Torres Strait. By contrast, only 5 per cent of all households in Queensland are overcrowded.

There has been progress in reducing the amount of overcrowding in remote and discrete communities, with the proportion of overcrowding falling from 41 per cent in 2006 to 27 per cent in 2016. The bulk of the reduction came between 2011 and 2016. However, some caution should be used when interpreting these results—while they are compiled from Census data, response rates for the questions required to compile these estimates were relatively low.<sup>11</sup>

<sup>11</sup> Estimates of indigenous households with overcrowding were compiled using only households that had stated all of Indigenous status, number of bedrooms, and number of persons in the household. Households that were missing any one of these were excluded from the calculation. However, in the 2016 Census, only 61 per cent of all households in remote and discrete communities provided all three pieces of information.

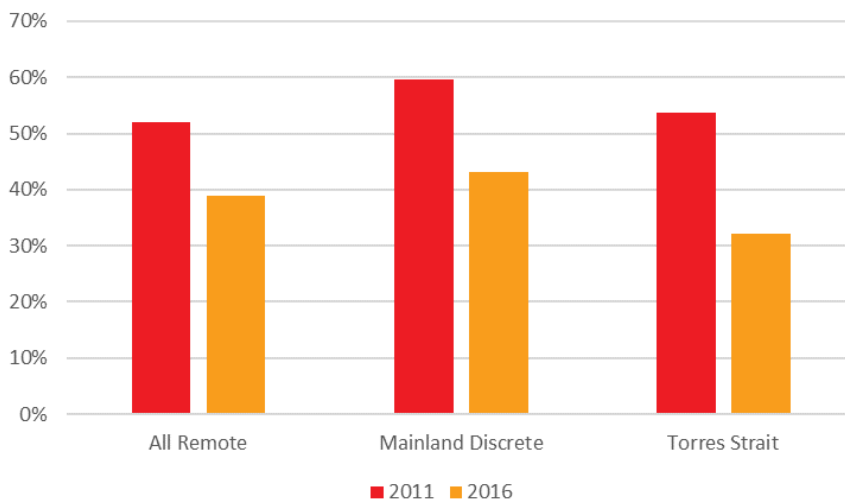
**Figure 34 Proportion of indigenous households with overcrowding, by location, 2006–2016**



Source: ABS 2016a, 2011a, 2006; QPC estimate.

The number of households with an internet connection has risen since 2011 (Figure 35). According to the 2016 Census, 61 per cent of Indigenous households in remote and discrete Aboriginal and Torres Strait Islander communities had internet access from their dwelling, up from 48 per cent in 2011. However, this remains below the 79 per cent of non-Indigenous households in the same areas and the 86 per cent of all Queensland households.

**Figure 35 Proportion of Indigenous households with no internet access at home**



Source: ABS 2016a, 2011a.

## 4.7 Wellbeing

### Discrete communities experience high levels of socioeconomic disadvantage

The Australian Bureau of Statistics publishes an Index of Relative Socio-Economic Advantage and Disadvantage (IRSAD), which ranks all Local Government Areas (LGAs) in Australia according to relative socioeconomic advantage and disadvantage. The IRSAD is comprised of 25 variables from Census data and presents an overall score with a lower score representing most disadvantaged and a higher score representing most advantaged.

The 16 most disadvantaged LGAs in Queensland in 2011, according to the IRSAD, were all discrete Aboriginal and Torres Strait Islander Communities. Torres Shire, the 22nd-most disadvantaged LGA (out of 74 total) was the most advantaged remote and discrete Aboriginal and Torres Strait Islander community, however, it was only more advantaged than 16 per cent of LGAs nationally (ABS, 2011b).

Speaking an Indigenous language (and its value as an element of identity and self-esteem) has been linked with improved wellbeing and health outcomes (AIATSIS, 2014). While only three per cent of Queensland’s Indigenous population speak an Indigenous language, almost 20 per cent of those living in remote areas, and 74 per cent in the Torres Strait do so.

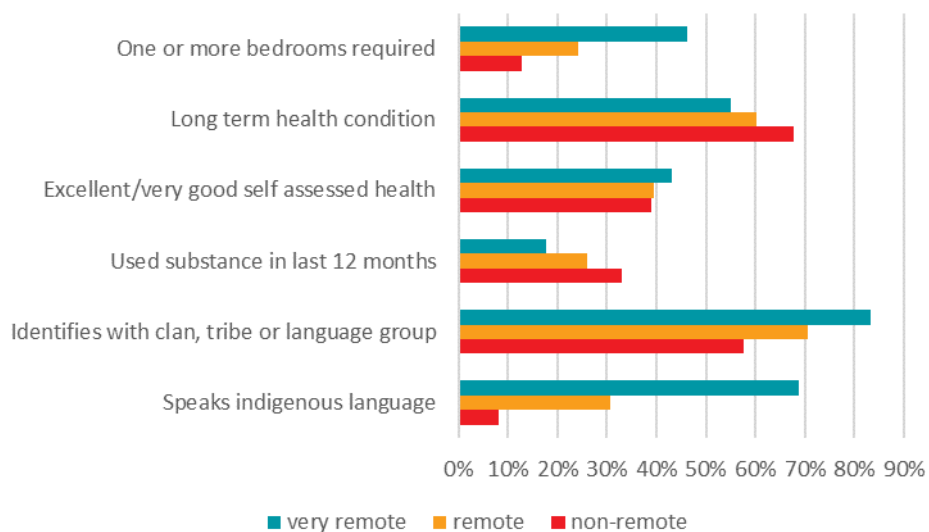
**Table 13 Proportion of Indigenous residents who speak an Indigenous language, 2016**

	All Remote	Mainland Discrete	Torres Strait	Queensland
Speaks an Indigenous language	19%	25%	74%	3%

Source: ABS 2016a.

The Australian Bureau of Statistics’ National Aboriginal and Torres Strait Islander Social Survey provides the most comprehensive measures of community wellbeing. However, the small populations in remote regions mean that remoteness data are only available at the national level. Data from this survey show that Indigenous Australians living in remote regions are significantly more likely to suffer from overcrowding, but are more likely to report good health, and are more connected to their culture than their counterparts in less remote parts of the country.

**Figure 36 Outcomes for Indigenous Australians, by remoteness, 2014–15**



Source: ABS 2016b.

Several attempts have been made to develop an indicator of community wellbeing for Indigenous communities. The Indigenous Relative Socioeconomic Outcomes index (IRSEO), is an indigenous-specific index derived by the Centre for Aboriginal Economic Policy Research (CAEPR, 2011) from the 2011 Census of Population and Housing. The IRSEO is composed of nine socioeconomic outcomes of the usual resident population.

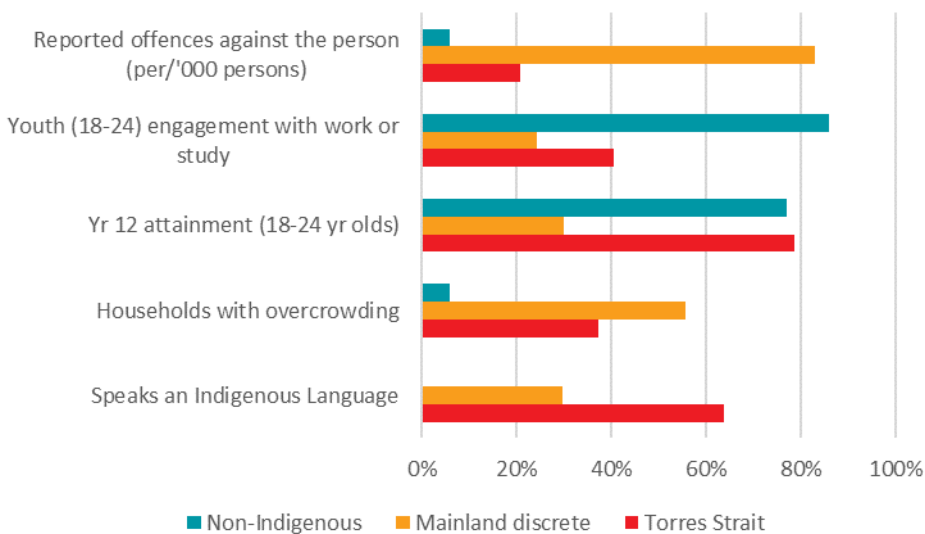
The IRSEO reflects relative advantage or disadvantage at the Indigenous Area (IARE) level, where a score of one represents the most advantaged area and a score of 100 represents the most disadvantaged area.<sup>12</sup> Using a population weighted average of each IARE, Queensland received an average score of 42, while remote Indigenous areas had a higher average of 68. The Torres Strait, however, was much closer to the state average with an average of 46. An index for 2016 has not yet been published.

## 4.8 Indicators for the Torres Strait

### Indicators are better for the Torres Strait

Indicators for communities in the Torres Strait are generally better than in other communities. Reported offence rates in the Torres Strait are less than one-third of the rates observed in mainland discrete communities, although there are still high levels of overcrowding. Educational attainment rates are higher, unemployment is lower and the rate of youth engagement with work or study is high, despite the geographic isolation of many Torres communities.

**Figure 37 Selected indicators for Torres Strait and mainland discrete communities**



Source: ABS 2011a; DATSIP 2017a.

<sup>12</sup> IARE regions are in many cases too large to identify individual discrete communities.

While the Torres Strait is in many ways quite different to the mainland Aboriginal communities, one possible reason for the better outcomes is that the Torres Strait region has been able to maintain strong governance, which has allowed it to exercise a higher degree of control over service delivery than other communities. This is consistent with the experience of Indigenous communities in northern America (discussed further in Chapter 6). For example, research undertaken by the Harvard project on Indian Development found:

*...the evidence indicates that a federal policy of supporting the freedom of Indian nations to govern their own affairs, control their own resources, and determine their own futures is the only policy orientation that works. Everything else has failed.*

*In our work, we cannot find a single case of successful economic development and declining dependence where federal decision makers have exercised de facto control over the key development decision. In every case we can find of sustained economic development on Indian reservations...the tribe is in the driver's seat. In every case, the role of the BIA and other outside agencies has shifted from decision maker to merely a source of helpful resources, from the controlling influence in decisions to advisor or provider of technical advice.*

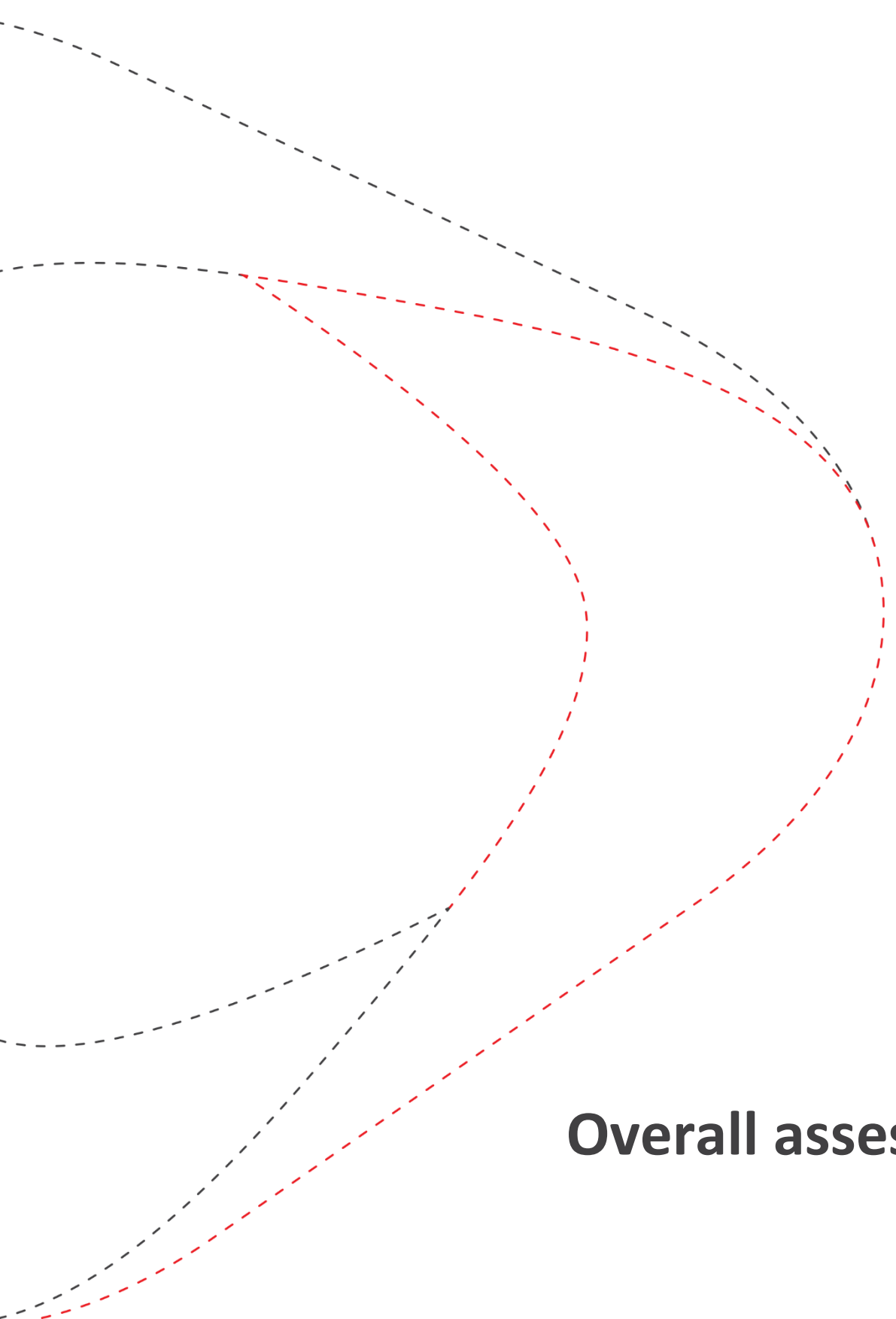
*The underlying logic to the finding that only sovereignty works in overcoming the long-standing problems of reservation poverty, dependence, social ill-being is clear. As long as the BIA or some other outside organisation carries primary responsibility for economic conditions on Indian reservations, development decisions will reflect the goals of those organisations, not the goals of the tribe... As long as the outside decision maker doesn't pay the price of bad decisions, there's no incentive for that decision maker to make better decisions. (Cornell and Kalt 1998, p. 28)*

## 4.9 Conclusion

Indicators of community wellbeing for Queensland's Indigenous people living in remote and discrete communities are worse than for Indigenous people living in other parts of the state. Overall, outcomes were better in the Torres Strait, and worst in mainland discrete communities:

- Educational performance and attendance rates, employment, health outcomes and home ownerships rates are significantly lower in remote communities and there is little evidence of improvement.
- Indigenous people in remote communities are more likely to have experienced physical or threatened physical violence, been arrested or been incarcerated in the past five years than Indigenous people living in non-remote communities.
- Remote and discrete Aboriginal and Torres Strait Islander communities face significantly higher levels of socioeconomic disadvantage.

While there has been an improvement in some indicators, overall progress has not met community expectations and there are significant opportunities for improvement



**5.0**  
**Overall assessment**

*This chapter provides an overall assessment of the current service delivery system. It also considers underlying reasons why the problems occur. Implications for this inquiry are considered at the end of the chapter.*

## Key points

- Many Aboriginal and Torres Strait Islander people living in remote and discrete communities experience persistently poor social and economic outcomes, with high rates of unemployment and welfare dependency.
- As many policies by all levels of government affect Aboriginal and Torres Strait Islander people, care is needed in making a summary judgement about the existing stock of policies. Generalisations about performance run the risk of reducing support for good policies as well as bad.
- Even so, the weight of evidence presented to this inquiry suggests that many services are not meeting community expectations or delivering value for money.
- In discrete communities, government essentially ‘operates’ the community—individual choice, markets, rewards and responsibilities have a limited role. This creates ‘principal–agent’ and incentive problems, contributes to welfare dependency, and undermines the development required to bring about fundamental change.
- The system is characterised by:
  - Poor or conflicting incentives—for government (there is a bias towards concentrating on highly visible action), service providers (there are incentives to maintain programs and funding rather than improve outcomes) and users (there are incentives to remain welfare dependent).
  - Unaligned decision-making, funding and accountability—decision-making is concentrated at the highest levels of government, and dispersed responsibilities result in limited genuine accountability to service users, communities, government and taxpayers.
  - Information barriers between government, service providers and service users mean that services may not address peoples’ real needs.
- The system is so large and bureaucratic that it risks serving itself rather than communities. Costs of maintaining the system are high and it is difficult ‘to get things done’.
- Service delivery is often funded on a short-term basis, and the current way of doing things does not reward or encourage effective evaluation and incremental improvement to service delivery and design.
- Anecdotally, there is potential to reduce ancillary costs and service duplication, so that more can be achieved with current investment levels.
- Economic and community development is not supported by the current institutional and policy framework.

## 5.1 Assessment framework

### Service delivery within an overarching development framework

The Terms of Reference for this inquiry ask how available resources can best be used to support increased social and economic participation and deliver high quality services. In this context, this inquiry has considered service delivery within an overarching economic and community development framework. By ‘development’ it is meant:

*[...] development consists of more than improvements in the well-being of citizens, even broadly defined: it also conveys something about the capacity of economic, political and social systems to provide the circumstances for that well-being on a sustainable, long-term basis. (Barder 2012, p. 1)*

Local capacity and sustained improvements in wellbeing are linked. Externally funded service provision can provide improvements in wellbeing, but unless it contributes to, or does not detract from, development, these gains will not be sustained.

A focus on development establishes the 'lens' through which issues, policies and services are analysed. Development improves economic and community participation, which has implications for service delivery, including influencing the level of demand for services. In turn, service delivery can have both negative and positive impacts on development.

A focus on development requires an investment perspective where costs occur up-front with benefits to be derived later. Improving service takes time because, for example, investment in skills development may be required if improved local employment outcomes are to be achieved:

*PICC has demonstrated opportunity to increase local employment—but costs more initially for training, mentoring, supervision and lower productivity. However, longer term benefits to individuals, families, community and service delivery make this cost-effective. (Palm Island Community Company sub. 29, p. 1)*

The development challenge facing communities is significant with many aspects of development needing to be driven from the local level and from individuals and institutions acting outside of government.

### Effectiveness and efficiency of service delivery

The scope of this inquiry is very broad and necessarily considers issues at the level of systems, institutions and the funding arrangements within which service delivery decisions are made, services are delivered, monitored and evaluated. Given the scope of the inquiry and time constraints, the inquiry does not evaluate individual service delivery programs or policies in terms of their effectiveness or efficiency (Box 5.1).

The concepts of effectiveness and efficiency are used in considering the overall level of resources directed to the provision of service delivery, how service delivery can be improved, and the relationships between service delivery and broader economic and community development.

## Box 5.1 Effectiveness and efficiency

Effectiveness refers to how well a service is achieving its objectives—is the service working and is it reaching the right places and people? Are the expected benefits being achieved?

Understanding whether services are effective can be complicated—for example, it may be difficult to demonstrate that a program has changed outcomes if these will occur over a long time. Similarly, there is the challenge of isolating the impact of a service from the multitude of other factors contributing to outcomes, as well as accounting for any unintended impacts.

Efficiency refers to how well inputs are combined over time to provide services that produce the outcomes that the community values most. The concept of efficiency is typically considered in three different ways:

- **Technical efficiency:** for a given outcome, is the program or service delivered at the lowest possible cost?
- **Allocative efficiency:** is the program or service being delivered to the areas of greatest need and does it provide the things that clients or communities value the most?
- **Dynamic efficiency:** is the program or service responsive to change (e.g. changing consumer preferences and needs) and being continually improved?

In a policy/service delivery context, the aim is to identify the efficient option—the policy/service that results in the highest net benefit (benefits minus costs) to the community, considering the stream of costs and benefits over time. Efficiency should also incorporate impacts which occur outside the direct impacts of the service.

Sources: *Productivity Commission 2016; QPC 2017.*

## 5.2 A summary assessment

Aboriginal and Torres Strait Islander people who live in remote and discrete communities experience poor and persistent social and economic outcomes when compared to the average of the Australian population:

- labour market outcomes are worse than the Australian average with high and persistent unemployment rates
- entrenched welfare dependency has resulted in the deterioration of social norms in many communities
- there is very little in the way of economic activity in communities which creates wealth, as opposed to distributing the wealth created by others.

Services and policies at all levels of government seek to enhance the welfare of Indigenous people living in remote and discrete communities. However, some Australian and Queensland government policies have actively contributed to the creation of problems, other policies have contributed to a worsening of problems, while still other policies unintentionally impede change.

Services are not meeting community expectations or providing value for money. The significant level and increase in resources has not resulted in a commensurate improvement in health, child and family safety, economic opportunity and community development outcomes, although there have been some improvements in some areas in many communities (see Chapter 4). While impacts may take time to be seen giving the nature of some problems, the lack of observable improvement to date is well below expectations:

*Despite increasing levels of investment, and more services being funded by government agencies disadvantage is still high. Governments have had limited success in addressing the causes of disadvantage. The result has been an array of un-coordinated services which are expensive and difficult to deliver in remote communities but do little to support individuals or family success. (LGAQ sub. 14, p. 22)*

The Forrest Review found widespread evidence of failure nationally, particularly in mainstream services:

*Much of this failure is in mainstream services, which has left us with:*

- *an education system that is not giving Indigenous children a decent education*
- *employment services that deliver lousy results for first Australians despite chronic need*
- *housing systems that charge such low rents that they create incentives for people to stay in remote communities as opposed to moving to where the work is*
- *no effective arrangements to enable individual ownership of Indigenous land for first Australians. (Forrest 2014, p. 11)*

The problem is not a matter of the aggregate level of resources being spent:

*The level of expenditure juxtaposed against limited progress on the ground starkly illustrates the productivity problem: a huge flow of inputs is achieving very few outcomes in terms of the social, economic and cultural progress of Indigenous Australians. (Empowered Communities 2015, p. 25)*

Despite the high level of expenditures, a stated government commitment to consultation and co-design, and the best intentions of agencies and service providers, stakeholders hold a strong view that services on the ground are often inadequate, poorly designed and inefficient.

This does not mean that all policies and services are performing poorly. Given the vast array of policies affecting communities, and the myriad of services provided, whatever one's views are as to the best approach, there are usually examples of existing policies and services consistent with that approach (even if in the minority). However, even well-designed policies and services operate within an institutional framework and set of conditions which impede their effectiveness.

### 5.3 Institutional design and funding problems

Institutions set the formal and informal rules within which policies and service delivery are designed and implemented.

Roles and responsibilities for service delivery are influenced by Australia's system of federalism. When considering the appropriate split of responsibilities, the main guiding principle is the principle of subsidiarity. Subsidiarity says that decision-making should reside at the lowest level of government able to exercise it effectively, and thus as close as possible to the community, to allow them choice as to the services they receive.<sup>13</sup>

Linking decision-making powers with funding and accountability for monies spent imposes a discipline to make sound decisions on behalf of taxpayers and communities. However, the current delegation of responsibilities has led to dispersed and weak accountability for outcomes. This contributes to the problem of services not matching community needs and the overall effectiveness and efficiency of the system of service delivery.

<sup>13</sup> Another principle that is sometimes used is fiscal equivalency. This principle states that the beneficiaries, and those operating and funding services, should share a similar geographic boundary as this will help avoid under- or over-provision of services.

## Consultation and participation in service delivery design

While communities are frequently consulted, there is little real participation at each stage of the policy cycle from the policy development process through to decision making, implementation, delivery, and monitoring, evaluation and feedback processes:

*[...] what I believe to be the key issue in the delivery of services to remote Aboriginal and Torres Strait Islander communities – that the way that services for remote communities are designed and delivered has become too removed from the recipients of those services and has fundamentally disempowered Indigenous community residents by denying their sense of agency in the key decisions that affect them. (Limerick sub. DR5, p. 1)*

Indigenous people and organisations currently feel they have little influence in the making of policy by the Australian and Queensland governments, or over service delivery:

*It is obvious that geographical issues will impact on the level of service provided from outside agencies. Many Woorabinda residents, however, believe they are not being serviced adequately by visiting services funded to assist their community. The issue is compounded by the fact that local residents have no input into program design to ensure local cultural expectations are met, and no involvement in ongoing decision making ... (fly-in, fly-out services) are unable to deliver the best outcomes and have limited accountability to the local community. (Woorabinda Aboriginal and Torres Strait Islander Corporation for Social and Emotional Wellbeing and Health sub. 5, p. 2)*

Clear intentions to consult and co-design are not backed up by supporting arrangements that see no formal mechanism for representation and negotiation to occur on an ongoing basis:

*Wicked problems, multi-factoral problems affecting people, such as health, education and employment, do not admit to solutions that do not involve those for whom the program is established. However, I do not know any Indigenous communities or individuals who would claim that their experience of dealing with government has been in line with those preconditions. (Chaney 2012, p. 58).*

## Duplication and overlap in roles and responsibilities

Within the existing institutional structure and funding frameworks, decision-making is concentrated at the Australian and Queensland Government levels. Table 14 identifies a high degree of overlap in roles and responsibilities, across policy, funding, service delivery and regulation.

At the Queensland Government level, 20 departments are responsible for coordination and policy, with 13 individual departments directly providing or funding services to communities (as discussed in Chapter 2):

*There are some duplications and gaps in service delivery across all levels of Government as different agencies have their own programmes that in many cases aim to address the same issues and outcomes. (Torres Strait Regional Authority sub. 22, p. 1)*

**Table 14 Analysis of institutional and funding arrangements**

Area		Queensland Government		Indigenous organisations		Overlaps and gaps	
Australian Government		Shared lead		Secondary lead		High	
Institutions and representation	Shared lead Oversees frameworks of national identity, citizenship rights and responsibilities. Responsible for mechanisms to enable Indigenous interests to be represented and acted at the federal level.	Shared lead Responsible to establish and enforce law and order, and the structural preconditions for effective markets.	Secondary lead Councils responsible for local economic infrastructure and planning; support good order; advocate community interests to governments. TSRA represents and supports Torres Strait interests and economic development. NTRBs provide representation under the <i>Native Title Act 1993 (Cth)</i> . Aboriginal land councils represent Aboriginal affairs at state level.	High All levels of government share responsibility for the maintenance of citizenship rights and good order. There is a gap in recognised representation on Indigenous interests to state and Commonwealth governments.			
Policy	Shared lead Responsible for national security and border control. Oversees policies that directly affect economic development (native title), employment and welfare. Influences Indigenous housing policy, education and training, health and social justice policy.	Shared lead Oversees policies that directly affect economic development (land tenure, zoning, town planning, infrastructure). Social housing, health, education and training, social justice, community and child safety policy.	Limited Councils responsible for policy relating to the exercise of local regulatory functions. TSRA formulates Torres Strait regional policy.	High Australian and state government share responsibility for policies that affect the social determinants of health of Indigenous Australians, their prospects for self-determination. Indigenous organisations have limited input.			
Funding	Primary lead Provides funding towards social housing, health, education and training. Funds primary health care, employment and welfare services. Financial assistance grants to ATSI councils. Major funder of the TSRA, land council and PBCs.	Secondary lead Funds ATSI councils to meet costs (in lieu of rates). Funds social housing, health, education and training, social justice, community and child safety services.	Limited TSRA provides grant funding to community groups, enterprises and individuals.	High All levels of government jointly and separately fund essential services to Indigenous peoples and communities. The role of Indigenous organisations in funding initiatives is limited by their lack of untied resources.			
Delivery	Shared lead Oversees programs related to jobs, land and economy (Indigenous Advancement Strategy); children and schooling; safety and wellbeing; culture and capability; and remote Australia strategies.	Shared lead Oversees delivery of housing, health, education and training, social justice, community and child safety services.	Secondary lead Councils fill service provision gaps; promote economic development; provide social housing; manage community groups. TSRA coordinates and delivers services. Other Aboriginal organisations deliver a range of services including land tenure, health, legal, education, employment and business services.	High Significant overlap in delivery of individual programs relating to economic development, health, training, safety and wellbeing. Indigenous councils bear a service delivery burden that is significantly underfunded and unrecognised.			
Regulation	Secondary lead Overarching responsibility for land rights; border control; environmental protection and community protection and control.	Primary lead Tenancy management, community housing, town planning, land release, zoning; community alcohol restrictions, cultural heritage and family responsibilities.	Secondary lead Local laws include public health and safety, parking, prohibiting or restricting nuisances and environmental hazards, licensing business operations, using local government controlled areas, facilities and roads.	Medium All levels of government jointly and separately govern issues impacting economic development, community protection and control. There is a gap in Indigenous consultation on Commonwealth and state legislative proposals.			

**Key**

Who leads

Primary

Secondary

Shared

Limited role

Level of overlap and gaps

High

Medium

Low

The bureaucratic maze makes it difficult to get things done, particularly when the difficulties associated with delivering services into remote locations are added into the mix:

*Current coordination arrangements are not very effective. This is due in large part to the gaps and overlaps between state and commonwealth agencies and funding programs such as health education police. (PICC sub. 29, p. 1)*

Programs are usually delivered within government ‘silos’:

*[...] and this creates wastes and reduces the investment that could be put into frontline services... We find that this approach doesn’t allow the adaption of services to meet our needs and directing how and where the funding is spent, as the contract is between the relevant department and the NGO. (Joint YASC & YLF sub. DR14, p. 3)*

*These agencies work largely in silos with authority located in mainstream regional or state offices. (PICC sub. 29, p. 1)*

Duplication and overlap in responsibilities provides the conditions for cost-shifting between levels of government. Cost-shifting can lead to the introduction of policies or services that would not be introduced, or would be introduced in a different way, if the decision maker faced all the costs of the decision. An example of where negative and positive financial impacts of decisions occur across multiple tiers of government is in the inter-relationships between welfare policies and employment and development policies. Likewise, when the financial benefits of an action flow to another level of government, the incentives to act are diminished and may lead to actions—that are likely to provide a net benefit—being delayed or not being taken.

## Dispersed and weak lines of accountability

There are many overlapping responsibilities, which reduces accountability. The Queensland Government is accountable to the Queensland public, including Indigenous people, for monies it spends. Councils are accountable to the Queensland Government for funds provided to councils. Where government agencies commission services, they are responsible to general taxpayers for the funds spent. Service providers are responsible to the Queensland Government. These responsibilities are often duplicated for Australian Government services.

Contracts commonly place obligations on the recipient to report to the Queensland Government on compliance, with limited or no reporting on outcomes to the public and communities. This lack of accountability to the community was illustrated by the response of a service provider to the Mornington Shire Council’s efforts to map the myriad services into their community:

*Question: Contact details of the person responsible for all the programs or services you deliver, the length of any contract or period of engagement and other relevant details for each program or service you deliver.*

*Response: “Not sure why you require this information? This is not something we are required to share or discuss in any community I would need to see a lot more detail behind your request before I approve such a resource intensive task ...”*

*Question: The Key Performance Indicators or Performance Measures for each program or service or in the absence of these how you assess the value of the program or services delivered.*

*Response: “as above”. (LGAQ sub. 14, p. 6)*

Dispersing accountabilities across all parties and relying on compliance reporting mean there is limited genuine accountability to communities or taxpayers, with no party responsible for delivering outcomes.

## Indigenous council responsibilities exceed those of other local governments

For Indigenous councils, the scope of activities is often much broader than for non-Indigenous councils. For example, the breadth of activities undertaken by the Yarrabah Aboriginal Shire Council in relation to housing and homelessness matters alone is extensive (Box 5.2).

### Box 5.2 Yarrabah Aboriginal Shire Council

Yarrabah Aboriginal Shire Council (YASC) observed:

*[M]ost community members and indeed government agencies also assume YASC are responsible for the delivery of services outside of their roles and responsibilities, their funding, specified skill sets and statutory reach. YASC inadvertently endure the stress, cost and risk in filling the gap in services at the risk of other service provision, or are negatively targeted and pressured for not meeting these needs. (YASC sub. 11, p. 7)*

In relation to housing and homelessness matters alone, YASC roles include:

- housing provider managing tenancy and associated maintenance of 364 social houses
- responsible for strategic land use planning
- responsible for statutory planning—receiving and assessing development applications
- responsible for provision of trunk infrastructure for water, sewerage and drainage
- responsible for maintenance and management of water, sewerage and drainage systems
- responsible for rubbish collection from social housing and expensive ‘out of community’ disposal of that rubbish
- responsible for the gazetted roads throughout Yarrabah
- manages 306 hectares of Deed of Grant in Trust (DOGIT)
- manages lands where approximately 50 homeless Yarrabah families reside in wait for placement into community houses
- manages the sale of social houses for purpose of home ownership
- issues leases to other stakeholders to facilitate development of housing for their housing needs necessary for successful service provision
- responsible for Native Title and Cultural Heritage compliance with regards to housing and assets and associated activities under requirements of the Yarrabah Local Government Indigenous Land Use Agreements.

Source: Yarrabah sub. 11, pp. 16–17.

This arises partly because of real or perceived community expectations given the level of need in communities. Councils may also be the only entity in the community capable of taking action. However, the breadth of council involvement is also a matter of choices made by councils. The wide scope of activities raises issues concerning:

- the funding and financial sustainability of councils (Chapter 13)
- the funding and delivery of services in communities where, if funded inadequately or performing poorly, acts to draw councils into activities outside the ‘normal’ council activities of ‘rates, roads and rubbish’
- whether financial sustainability issues interact with scope issues to provide incentives that work against development
- whether the resulting concentration of power and control over so many aspects of life in communities is in the long-term interests of communities.

## Fragmented and inflexible funding

Grant and program funding is ostensibly aimed at allowing non-government parties to provide services, encouraging competition while ensuring accountability and managing risk. However, the system as currently executed appears to undermine the outcomes it is trying to achieve.

In 2001, the Cape York Justice Study described funding arrangements to community councils as complex and highly fragmented, hampering the ability of councils to undertake proper community and strategic planning (Ellerman 2002, p. 9). There are still concerns in 2017:

*Councils continue to express their concerns about too many funded programs being initiated by state and national capitals relying exclusively on the advice of people who do not live and work in the communities and accordingly, on too many occasions, fail to achieve their desired outcomes. (LGAQ 2017)*

Fragmented funding sources can cause problems for service providers. It can be a drain on resources due to the constant need to apply for additional funds from multiple sources. To meet the requirements of various funding providers, output/outcome measurement can become excessive and reporting requirements can increase. Fragmentation also increases the scope for a conflict of objectives between service and fund providers, and between various fund providers. Some of these effects have been noted by the current national inquiry into human services delivery in remote Indigenous communities:

*The fragmented nature of services means providers often rely on funding from a variety of sources and programs. These separate sources of funding come with their own compliance requirements, placing a particularly significant burden on smaller organisations (Dwyer et al. 2009). Alford (2014) gave an extreme case of one Aboriginal Community Controlled Health Organisation (ACCHO) with over 90 funding agreements, and an associated compliance burden of about 423 reports annually. Funding also tends to be short term and uncertain in nature. As a result, providers and governments spend considerable time and effort managing funding flows rather than focusing on delivering better outcomes. (PC 2016b, p. 135)*

In many communities, numerous programs and services are provided to comparatively small populations. For example, in Coen, 40 separate service providers deliver around 70 services and programs to a population of just over 350 people. Mornington Shire Council has identified more than 100 programs that are delivered by over 40 agencies, with 10 separate organisations funded to deliver the same four programs (LGAQ sub. no. 14, p. 5).

While not necessarily so, fragmented funding may contribute to fragmented service delivery, which appears to be a significant issue in remote Indigenous communities:

*The service delivery arrangements for people living in remote Indigenous communities are overly complex. Funding and responsibility for service provision and outcomes are split across governments, departments, programs and providers. Although this is also the case in human services more generally [...], the negative effects of this are stark for remote communities with high levels of service fragmentation, and duplication in some areas and gaps in others. (PC 2016b, p. 134)*

## Short-term funding and system compliance burdens

Community organisations and NGOs receive much of their funding under short-term contractual and/or grant arrangements.

Submissions to recent inquiries have stated that uncertainty around funding arrangements impedes effective service provision and that contract terms are too short (see PC 2017a, p. 252 and Senate Finance and Public Administration Committee Secretariat 2016).

Competitive tendering over relatively short funding cycles undermines the sustainability of Indigenous corporations and significantly reduces the ability of communities to exert control over service delivery (Moran et al. 2014; SFBACS 2016).

A common complaint amongst service providers is that short-term funding can create a high administrative burden on organisations, diverting energy and time away from service delivery:

*The combination of administrative and fiscal fragmentation and notions of accountability stemming from 'new public management' reforms has resulted in Indigenous organisations becoming subject to often unsustainable administrative requirements and burdens. This problem is fuelled by the volume of grants that are often small and short-term in nature. Organisations are therefore caught in a continuous cycle of applying for, and reporting against, grants that have often been provided for very specific purposes with only limited allowances for the administrative requirements that accompany them. This approach to funding perpetuates a sense of funding insecurity, often resulting in organisations committing significant human resources to playing the 'funding game'. The overburden report (Dwyer et al., 2009), also noted the underutilisation of data by the departments that collate them; and importantly, the overemphasis on corporate aspects of reporting while neglecting to collate evidence regarding meaningful and substantive change or outcomes. (Moran et al. 2014, p. 11)*

Costs incurred by funded organisations to meet reporting obligations are frequently not commensurate with the size of the payment received (LGAQ 2017; National Commission of Audit 2014; SCRGSP 2016).

The 2009 Overburden report found that, for financial reporting alone, an average Aboriginal Community Controlled Health organisation will produce 22 financial reports for 20 activity reports (statistical and other summaries of the services provided) equating to an average of 42 reports for 21 grants (Dwyer et al. 2009, p. 78).

## Other funding issues

Submissions to the inquiry have raised several other funding issues. For example, the Burke Shire Council raised the issues of:

- Funding to rural and remote non-discrete communities, which nevertheless have significant Indigenous populations. For example, the council noted that recent Queensland Government budget initiatives to increase expenditure on social/affordable housing and water, wastewater and solid waste infrastructure to assist Indigenous people was only available to discrete communities. The council stated that co-funding requirements are higher for the council (for example, the council must contribute three dollars for every one

dollar in grant funding compared to 1:1 for Indigenous councils), even in situations where the road it is maintaining is the primary access road to the Doomadgee Aboriginal Shire.

- The potential role for funding and incentive mechanisms to achieve greater collaboration between Indigenous and non-Indigenous councils.
- The scope for reforming funding arrangements to reward councils for good governance by, for example, reducing compliance (red tape) burdens by streamlining requirements (Burke Shire Council sub. 25, pp. 1, 8–9).

The council considered that greater collaboration between councils could provide benefits in reduced duplication of services.

## 5.4 Underlying problems and challenges

There are reasons why policies fail or under-perform which are systemic in nature relating to government institutions, rules and processes. These reasons apply across policy areas, governments, different tiers of government and sides of politics.

The reasons why policies fail are not exclusive to Indigenous policy, but appear more ‘concentrated’. Some of the reasons for this include: a focus on achieving visible and short-term impacts rather than long-term outcomes; failure to understand the problem and a lack of clear objectives; insufficient attention paid to opportunity costs and unintended consequences; the practical constraints on centralised policy interventions to actually achieve outcomes; poor choice of policy instrument when considering different ways to address a problem; rigidity and uniformity of policy, legal and administrative frameworks; low expectations being a self-fulfilling prophecy; and a lack of transparency and accountability to the people whom service delivery is meant to serve.

There are underlying reasons for poor performance at each stage of the policy cycle. Some of the reasons listed cut across stages—for example, a disposition to intervene is seen both in the policy design process (by agencies) and in the decision-making process (for example, by governments).

### A disposition to intervene

There are many reasons why governments and government institutions are disposed to intervene in the lives of Aboriginal and Torres Strait Islander people:

- governments and other non-Indigenous institutions have usurped ‘responsibility’ for the welfare of Indigenous people over many decades.
- governments, being ‘responsible’, tend to be highly risk averse which drives responses to public reporting of poor outcomes
- a ‘moral’ responsibility exists to right past wrongs
- government institutions respond to incentives for expansion or greater control
- governments have underlying concerns that Aboriginal and Torres Strait Islander people are not sufficiently capable
- the underlying belief is held that government institutions and political decision-making processes are more capable than what they are in practice.

Therefore, governments may intervene when they should not, and in a heavy-handed way.

## Government as problem fixer—where does responsibility lie?

A policy intervention should address an identified problem, be proportional to the problem and, importantly, consider the realities that limit government interventions in achieving their objectives. But, the practical limitations on government interventions—or the sources of policy failings—are rarely seriously assessed (see Box 5.3). As discussed in the sections below, there are limitations on the ability of governments, large bureaucracies and centralised decision-making to solve problems in communities.

### Box 5.3 Government as the fixer of ‘market failures’

Economic policy advice often contributes to the view of government as a ‘fixer’ of problems. Government interventions are to be considered where there are potential welfare-enhancing improvements from intervening in an economy (whether in traditionally ‘economic’ spaces or social policy areas, such as health and education). The potential for a welfare-enhancing intervention is most likely in those circumstances where a policy intervention can address a ‘market failure’ and improve economic efficiency.

The market failure framework provides a two-stage test:

- First, a policy should address a clear market failure, providing for a potential improvement in economic efficiency and welfare.
- Second, the government policy intervention should be capable of fixing the problem and improving outcomes. The second-stage test allows a broad range of perspectives and theory to be applied.

The framework is meant to help guide policy interventions, and it does this in many cases. But, it does not encompass all matters that might be relevant to identifying a problem, understanding the problem and considering whether a policy could improve upon outcomes.

Often the framework is not used in practice, with policies starting from the position based on the accumulation of past policies, or a unilateral political decision, rather than a fundamental questioning of the role of government in relation to the problem.

Even if policies do address some form of market failure, there is rarely robust consideration of whether a government policy response will work in practice. The second-stage test is rarely applied.

Whether it is the role of the Queensland Government or Australian Government to address a problem is a question that needs to be asked more often:

*The objectives of overcoming deficits, disadvantage and poverty immediately invoke the standard tools of the welfare state: top-down government intervention through income transfers and passive service delivery. Individual, family and collective agency is relegated to the sidelines, displaced by the strategies, rules and procedures of the bureaucracy. Failure to achieve progress is taken as evidence of the need for increased funding, further government intervention and better ‘coordinated’ programs. (Empowered Communities 2015, p. 13)*

If Aboriginal and Torres Strait Islander people are to take greater responsibility for their lives, governments must take less. Therefore, the responsibility for solving many problems rests with the people residing in the communities.

The issue is not so much that policy targets an identified problem, but that government intervention leads to an inertia towards ‘solutions’ that are top-down or centrally driven.

Governments stepping back to an enabling or facilitating role (discussed further in Chapter 8) would mean that the problem is still targeted, but government seeks a solution through assisting individuals or communities to solve the problem. There have been various individual policies or programs consistent with this idea (for example, see Limerick sub. DR5, pp. 1–2) for information on previous community planning and place-based initiatives<sup>14</sup>, but the overall approach of governments is dominated by a service provision and top-down mentality. Even where developmental or strategic objectives have featured, these objectives have tended to give way to the day-to-day requirements of effective service delivery:

*The supply of a service falls more within the bounds of management control than the messy and chaotic business of engagement with service users to achieve strategic goals. A fixation on the supply of services hampers their improvement by preventing their location within longer-term planning for communities and regions. Therefore services are implicitly considered a means of preventing or fixing a problem rather than a contribution to longer-term development goals in, for example, health, education or employment. (Fisher 2011, p. 9)*

## Dispersed knowledge and the coordination challenge

How activities are funded and what gets funded, and many other aspects of community life, are dominated by top-down and centralised decision-making and service delivery (that is, decisions made in Brisbane and Canberra). This approach to decision-making and coordinating activity is ill-suited to solve the complex problems facing communities:

*It is up to the bureaucracy to assess these funding proposals against the stipulated criteria. How can panels of bureaucrats know what is needed for development on the ground and how could they assess what is and what is not a worthwhile investment proposal? (Empowered Communities 2015, p. 60)*

A deeper appreciation of the complexity of the mainstream economy and the problems that decentralised markets solve can help provide insights on the challenges facing Indigenous policy and public-sector-driven service delivery as substitute ways of coordinating activity, including the provision of services. The 'coordination problem' that markets solve is the problem of how to make the best use of knowledge in society when it is dispersed broadly across individuals (potentially hundreds or even thousands of people), and cannot be known by any individual or institution in its totality (Hayek 1945).<sup>15</sup>

Cultural differences between Indigenous communities and mainstream Australia is one source of dispersed knowledge which adds to the already complex challenge of providing effective and efficient services to remote communities, as well as achieving development:

*There are also unique challenges facing Aboriginal and Torres Strait Islander communities that increase the complexity of service delivery. In particular, services must be answerable to community and sustain cultural legitimacy, or risk becoming irrelevant in the eyes of community. (Queensland Family and Child Commission sub. 15, p. 2)*

Differences in culture also occur between different tribes and family groupings within communities, which poses further challenges to achieving safe, prospering communities.

<sup>14</sup> A Queensland Government Cross-Agency Place Working Group has adopted the following definitions. A 'place-based approach' is a joined-up approach responding to 'wicked problems' in a particular location. The problem and the response are owned by all stakeholders and the goal is to achieve long-term positive change. A place-based approach requires a long-term commitment across multiple stakeholders and a high level of effort and resourcing. A 'place' can be a state, a zone, a region, a district, local area or even a caravan park.

<sup>15</sup> See Boudreaux 2014 and the video 'I, pencil' at <https://cei.org/i-pencil> for an insight on the complexity of producing what appears to be a simple pencil and how decentralised markets coordinate the task. The parallel in communities is the challenge of addressing complex social problems, for example, see CYI sub. 26, p. 7 on the causal pathways driving disadvantage.

Re-establishing positive social norms and reducing welfare dependency in favour of economic participation are complex or 'wicked' problems (Box 5.4). Addressing wicked problems requires the close involvement of the people affected by the problems:

*The Steering Committee for the Review of Government Service Provision (SCRGSP) sets out in its reports the preconditions for success (and observes that the lack of these factors can often contribute to program failures):*

- *Cooperative approaches between Indigenous people 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 2011 and previous)*

*I think that there are few, if any, authorities who would challenge that analysis. Wicked problems, multi-factoral problems affecting people, such as health, education and employment, do not admit to solutions that do not involve those for whom the program is established. However, I do not know any Indigenous communities or individuals who would claim that their experience of dealing with government has been in line with those preconditions. (Chaney in PC 2013, p. 58)*

## Box 5.4 Characteristics of 'wicked' problems

*Wicked problems are difficult to clearly define.* The nature and extent of the problem depends on who has been asked; that is, different stakeholders have different versions of what the problem is. Often, each version of the policy problem has an element of truth.

*Wicked problems have many interdependencies and are often multi-causal.* There are often internally conflicting goals or objectives within the broader wicked problem. It is the interdependencies, multiple causes and internally conflicting goals of wicked problems that make them hard to clearly define. The disagreement among stakeholders often reflects the different emphasis they place on the various causal factors. Successfully addressing wicked policy problems usually involves a range of coordinated and interrelated responses and trade-offs between conflicting goals.

*Attempts to address wicked problems often lead to unforeseen consequences.* It is often the case that measures introduced to address the problem lead to unforeseen consequences elsewhere.

*Wicked problems are often not stable.* Frequently, a wicked problem and the constraints or evidence involved in understanding the problem (e.g. legislation, scientific evidence, resources, political alliances), are evolving at the same time that policy makers are trying to address the policy problem.

*Wicked problems usually have no clear solution.* Since there is no definitive, stable problem there is often no definitive solution to wicked problems. Solutions to wicked problems are not verifiably right or wrong but rather better or worse or good enough. To pursue approaches based on 'solving' or 'fixing' may cause policy makers to act on unwarranted and unsafe assumptions and create unrealistic expectations.

*Wicked problems are socially complex.* The social complexity of wicked problems, rather than their technical complexity, overwhelms most current problem-solving and project management approaches. Solutions to wicked problems usually involve coordinated action by a range of stakeholders.

*Wicked problems hardly ever sit conveniently within the responsibility of any one organisation.* They require action by the private and community sectors, and individuals.

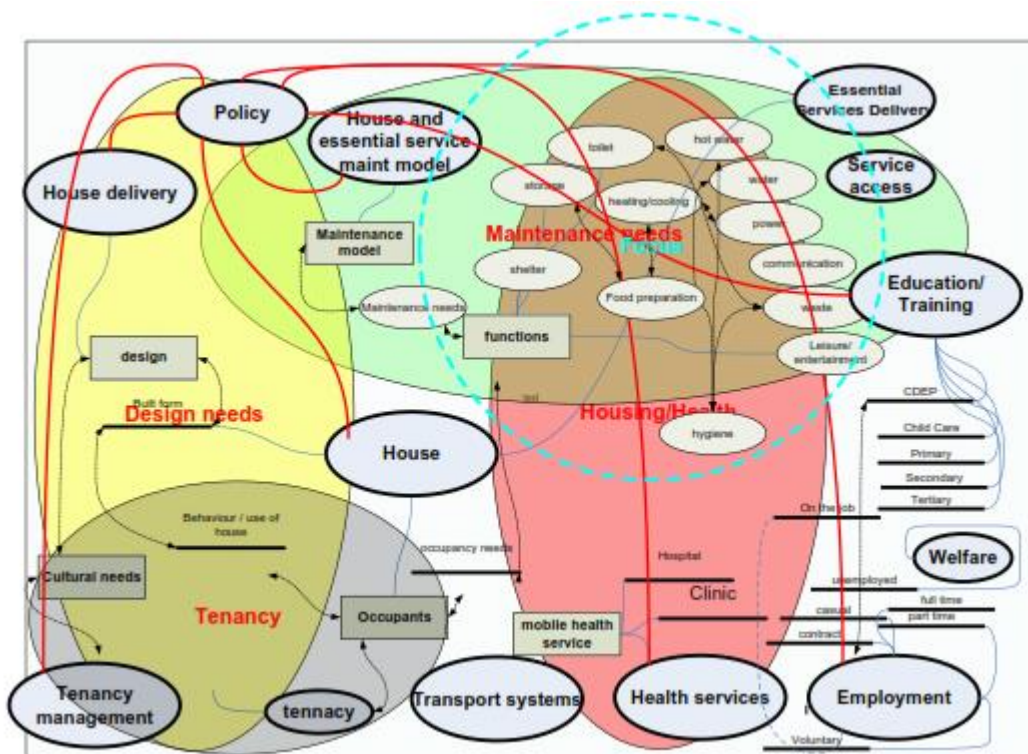
*Wicked problems involve changing behaviour.* The solutions to many wicked problems involve changing the behaviour and/or gaining the commitment of individual citizens.

*Some wicked problems are characterised by chronic policy failure.* Some longstanding wicked problems seem intractable. Indigenous disadvantage is a clear example—'Its persistence has not been for want of policy action. Yet it has to be admitted that decades of policy action have failed' (Henry 2006, p. 5).

Source: APSC 2012.

The multitude of relationships between housing and health provides an example of complexity in service delivery. Fisher et al. (2011) sought to formally model the relationships between the management of the remote housing system and resulting impacts on occupants' health. As part of the modelling task, they mapped out some of the relationships demonstrating some of the characteristics of a wicked problem (re-produced in Figure 38). The mapping demonstrates many of the characteristics of a wicked problem (interdependencies and relationships cutting across bureaucratic institutional boundaries).

Figure 38 Complex inter-relationships between housing and health



Source: Fisher 2011, p. 50.

The complexity of problems has implications for how governments approach the challenge of improving social and economic outcomes in communities. There are implications for decision making concerning whether or not to introduce a policy/service, the processes by which that decision is made, who has authority to make decisions, where responsibilities lie, the design of the policy/service, its implementation, how policies/services are adapted over time in light of their performance, and the institutional and funding arrangements best suited to the long-term development of communities.

### Policy failures when good intentions abound

All stakeholders involved in service delivery (decision-makers, bureaucrats, service providers, community members and so on) appear to be unified in their motivation to improve the welfare of Aboriginal and Torres Strait Islander people. Notwithstanding good intentions, community social and economic outcomes are closely related to policy decisions:

*Recognise that high levels of Indigenous disadvantage are not related to Indigeneity but are the result of ineffective policies and lack of opportunity—specifically in relation to education, employment and private enterprise. (Hudson 2014)*

While the stakeholders have good intentions, they are also influenced by the incentives they face and the institutional environments in which they work:

*My experience in government suggests that those who hold positions of power want to believe that they are doing the right thing—that they are pursuing the public interest. But their beliefs are at least malleable enough for them to be convinced by “special interests” that what they want is in the public interest, when in fact it is in their own interest to so believe. (Stiglitz 2012, p. 239)*

People also have preconceived notions of how the world works, or ‘models’ that influence how problems and the kinds of solutions that are necessary will be perceived. In some cases, the consequences of policy failings, combined with underlying challenges, accumulate over time and become ‘wicked’ problems.

Reform processes are often difficult, with those who stand to lose from reform often being organised and loud, and those who stand to benefit being ‘the silent majority’:

*[R]eform is always difficult for those who lose in the short run because their losses are imminent, while those who will benefit do not see how they will gain ... The non-indigenous public servants and private service industry ‘rentiers’ who derive comfortable livelihoods from present policies are another interest group vigorously opposed to reform. The preservation of Aboriginal ‘living museums’ is also stoutly defended by academics and consultants whose incomes they substantially boost. (Hughes 2005, p. 3)*

## Challenges in whole-of-government coordination

Poor coordination of services can cause a range of problems in service provision that result in resources being used inefficiently and needs not being addressed:

*A lack of coordination can cause over and under servicing, duplicated efforts and an inability to prioritise funding towards a critical need. Services are most exclusively developed and delivered within single agencies, with relatively few cross-agency service models. (Local Government Association of Queensland sub 14, p. 7)*

Despite efforts, the current system of service provision to communities suffers from poor coordination:

*In Aurukun very recently three experts flew into town for a week to plan the delivery of training (for other on-the-ground service providers or locals) so that people would be accredited to deliver a particular parenting program targeting parents of children with disabilities. This service provider had received funds to train people up in this particular program from the Queensland Government through a central decision-making process that applies more broadly than to Aurukun. Neither the government nor the provider has ascertained from any people in Aurukun whether training of this type was in fact the best use of additional resources available given the local context in Aurukun. No communication had occurred with existing services already supporting parents, or which there are several funded by other areas of government delivering closely related programs, to ensure there would be no duplication and that the additional training and program would support existing strategies and efforts. In the same week, a third area of the Queensland Government commenced a public procurement process for further parenting services across a number of communities, including Aurukun. Again, it appears there was no local input from Aurukun to determine or influence this allocation of additional resources. (CYI sub. 26, p. 10)*

To better improve the coordination of policy and services, whole-of-government approaches may be adopted. However, whole-of-government coordination efforts within governments face many obstacles and there is limited evidence that they have improved service delivery in communities, for example:

*An interagency meeting is currently held monthly in Cloncurry. It is reported to be an opportunity for Mt Isa based agencies to meet in Cloncurry, discuss their services, and collaborate with other agencies to minimise duplication. In practice what we see is:*

- *Constant turnover of officers which results in no continuity for the group in decision making;*
- *Duplication of services;*
- *Limited understanding or connection with the Cloncurry community of the issues that the community is facing;*
- *Reluctance to commit to action or deliver outcomes. (Cloncurry Shire Council sub. DR9, p. 6)*

The departmental structure of government, and the alignment of programs with departments, poses a significant challenge to attempts to improve whole-of-government coordination.

At the Australian Government level two advisory committees have described the changes that are essential if whole-of-government coordination is to work. The changes included five basic imperatives:

- *substantial initial cross-agency—stakeholder agreement about the broad purposes to be pursued*
- *use of the outcomes budget framework to pool resources and to create appropriate accountability frameworks*
- *lead-agency staff empowered with sufficient authority to manage whole-of-government settings and to lead the engagement of local stakeholders*
- *empowering these same managers to engage with relevant individuals and interests*
- *ensure the individuals engaged in those latter roles have the appropriate networking, collaboration and entrepreneurial skills.*

*Note that this is an internal high level Commonwealth assessment, not that of some external critic. These are the people with administrative skin in the game. In my view, these imperatives are not ever met. (Chaney 2012, p. 59)*

Whole-of-government approaches are constrained by the existing institutions, rules and processes of government. The constraints may be so difficult to overcome that major structural reforms are needed to re-define the fundamental relationships between governments, agencies, external organisations and Indigenous people:

*...[T]he changes in organisation and processes needed to make a whole-of-government approach work ... include ‘substantial’ cross-agency agreements, outcomes-oriented budgeting, provision of greater discretion to frontline staff, and stability in commitments over time. What these features point to is that whole-of-government approaches will not work without proper devolution of authority, funding, accountability and coordinated organisation. More to the point, it is clear that fundamental shifts in structural relations are needed between central and local authorities, and among influential private sector players, community members and representatives of public authorities. (Walker et al. 2012, p. 56)*

## Non-market attempts to mimic the benefits of competition

Markets and competition provide many benefits that systems of non-market provision struggle to replicate (Box 5.5). The absence of competition for non-market activities:

- Requires other, weaker, performance-correcting mechanisms to be designed (for example, the Queensland Government’s Performance Management Framework).
- Means that alternative incentive structures motivate the decisions and behaviours of government and the bureaucracy, and those incentive structures may better serve government and the bureaucracy than the broader community.
- Impairs the provision of information to government decision-makers on what is valued, and how much it is valued. This has implications for the allocation of resources within the public sector and through policies, internal cost structures and attempts to improve performance. Consultation is an inadequate replacement mechanism.

The activities in communities are dominated by non-market activities. The lack of a dominant private sector means that the problems related to the absence of functioning markets and competition are pervasive.

## Box 5.5 Why competition supports improvements in welfare

Competition corrects poor performance. Government organisations are not subject to bankruptcy and they usually do not have to worry about competition (Stiglitz 2012, pp. 199–200). The possibility of bankruptcy provides a limit to the magnitude of the losses than an inefficient management can generate, and a natural mechanism for the replacement of management and correction of poor performance.

Competition provides the opportunity for choice. Where there is competition, individuals can reveal their preferences by their acts of choice. The presence of choice forces businesses to come to terms with the costs imposed on those outside their agency as a result of their internal bureaucratic processes.

Competition provides an incentive structure that serves customers. Businesses, in their attempts to attract customers and remain viable, find a mixture of services that best meets customer needs.

Competition provides a basis for comparison. Where only one service is provided, it may be difficult to ascertain whether the service is being provided efficiently.

Competition re-allocates resources towards success. Those firms that are efficient and are able to deliver the kinds of goods and services consumers desire will grow and expand, and those that are inefficient will decline. Business managers have a strong incentive to promote efficiency and to be innovative in developing products and services that better meet the needs of consumers.

## Other policy design challenges

Designing policy and service delivery is challenging, particularly when addressing complex problems. The challenges listed in Table 15 can be observed in any area of policy, but they appear more prevalent or concentrated in the Indigenous policy space. Some of these problems are discussed further below (and in remaining chapters).

**Table 15 Other policy design challenges**

Nature of the problem	Implications
Rent seeking	Rent-seeking is the economic term used to describe attempts by individuals to use the political process to obtain gains for themselves at the expense of others.
Narrow focus on special interests	Policy design should consider the economy-wide or community-wide impacts of the policy and not just the impacts on a specific target group.
Lack of clear objectives	A policy may not be based on a good understanding of the underlying problem, or community priorities. The objective/s of a policy may be unclear, or may become clear over time as circumstances change.
Focus on the visible and short-term	The choice to introduce a new policy, and how to intervene, may be driven by the visible and short-term impacts of the policy.
Focus on symptoms not underlying causes	The focus on short-term and visible impacts biases the design of policies towards addressing symptoms of problems rather than the underlying problems. Addressing symptoms may provide short-term gains which satisfy the need to be seen to be addressing ‘the problem’.

Nature of the problem	Implications
Poor choice of policy instrument	To achieve a specific objective, alternative policy instruments are available. Governments often choose instruments which offer a high degree of control and perceived minimum risk, whereas communities may be better served by more 'light-handed' approaches which give them greater flexibility and control.
Not targeted to local conditions	Programs are often difficult to implement locally because they are not targeted to and responsive to local conditions (Moran et al. 2009). Attempts to replicate a successful service delivery model in one location to other locations have often failed.
Failure concerning the logic of the intervention	The logic of a policy intervention sets out how inputs (e.g. labour and capital resources) will lead to a change in target outputs and desired outcomes. However, the assumed relationships may be wrong. For example, errors may be made concerning the direction of causation in underlying relationships, and the magnitude of impacts.
Unintended consequences	A policy may produce unintended impacts beyond the target group of the policy. These impacts may be benefits or costs. Often, they involve negative consequences of policy that were not fully appreciated, or were ignored.
Insufficient consideration of opportunity costs	Resources are not free even if they are provided to someone without charge. Policies may ignore opportunity costs. The resources consumed by a policy means that resources were not used in another way which may have delivered greater community benefits.
Principal-agent problems	The problem of motivating one party (the agent) to act on behalf of another (the principal) is known as the principal-agent or agency problem. Agency problems arise when the incentives between the agent and the principal are not perfectly aligned and conflicts of interest arise. As a result, the agent may be tempted to act in his or her own interest rather than the principal's.
Moral hazard and behavioural responses	Moral hazard arises when an agreed contract or financial arrangement creates incentives for the parties involved to behave against the interest of others. The income support system leads to moral hazard problems when the presence of income support payments changes behaviours, making it more likely that income support will be needed (for example, if people are less incentivised to invest in their own human capital and this leads to a lower likelihood of employment).

## Rent-seeking

In response to incentives, people may engage in rent-seeking behaviour. Rent-seeking behaviour generally manifests itself in the form of special interest groups seeking legislative privilege, either by lobbying for special legislation or by seeking increased allocations of public resources. In both cases, the benefits to the recipients are concentrated, while the costs to the taxpayer or consumer are diffuse. This is due to the incentive structure under which governments and agencies operate.

Rent-seeking is an important reason why policy choices may be driven by the impacts on special interest groups or industries over the economy-wide or community-wide impacts. Rent-seeking can lead to policies that in the aggregate reduce welfare: in other words, the sum of the costs of the policy on those not part of the favoured interest group or industry outweighs the benefits to the privileged.

## A focus on short-term impacts and treating symptoms

Policies often focus on the visible and short-term impacts of the policy or on the short-term benefits of delivering a service, rather than on the underlying problems and long-term. There are many reasons for this:

- the real causes of problems may not be widely understood, or agreed upon
- the objectives may not be clear, or the objectives may not be those of the community
- the complexity of interactions and relationships may make it very difficult to trace through the potential impacts
- short-term impacts are easier to identify and there may be a political imperative to show ‘progress’ (discussed further below).

One of the consequences of an undue focus on visible impacts is that policies, and therefore resources, are too frequently directed at the symptoms of problems and not at solving the root causes of problems. This problem applies in many areas of service delivery. It is most commonly discussed in relation to the resources that are spent on the treatment of sickness compared to resources that are spent on the underlying determinants of why people get sick (see Chapter 17).

Addressing symptoms is relatively more ‘simple’ than addressing the underlying causes of problems. Addressing symptoms leads more naturally to a policy approach that is more direct and controlling (illustrated in Table 16).

The Cape York Welfare Reforms is an example of an approach which has sought to address underlying causes through a coordinated effort involving both the Queensland Government and the Australian Government. The reforms have sought to improve some of the underlying conditions for development, and have supported needed changes in personal behaviour and social norms through both changing incentives and supporting capacity development.

**Table 16 Addressing symptoms leads more naturally to a controlling approach**

	Symptom	Problem	Intervening approach	Key nature of policy instrument	Outcomes
Addressing a symptom		Poor quality food and unreliable supply.	Natural inclination to directly fix the problem (e.g. own and manage stores).	Exercise control; direct action.	In the short- to medium-term it may or may not improve outcomes. Not a long-term solution.
Addressing the underlying problem	Poor quality food and unreliable supply.	Lack of incentives; distrust of capabilities at local level to improve.	‘Enable’ local people to define and fix the problem/ provide scope to learn.	Align property rights and incentives; reduce control.	In the short- to medium-term it may or may not improve outcomes. Longer-term contribution to capability building and development.

## Insufficient attention paid to unintended consequences

Government intervention may generate unanticipated impacts, often in areas remote from that in which the public policy was intended to operate. The risk of unintended consequences is higher when interventions operate through large organisations using blunt instruments whose consequences are far-reaching and difficult to forecast.

Four types of unintended consequences can be identified (Table 17).

**Table 17 Types of unintended effects of policy interventions**

Effect	Definition	Example
Displacement	The positive outcomes from a policy are offset by negative outcomes of the policy elsewhere.	The displacement of crime from one area, where a crime reduction policy is being implemented, to a bordering area.
Substitution	The effects of an intervention on a specific individual, group or area are realised at the expense of other individuals, groups or areas, or public monies substitute for private monies.	An employer appointing a jobless person from a government scheme, rather than a standard applicant, in order to secure a recruitment subsidy, or hiring a subsidised person while firing a non-subsidised person.
Leakage	The policy benefits others outside the target area or group.	Jobs generated in a target area are taken by those who live outside it. For example, fly-in, fly-out workers where there are suitably skilled local Indigenous workers.
Deadweight	The policy supports outcomes which would have occurred anyway.	An employer receives a subsidy to take on workers who were going to be appointed anyway. The subsidy does not result in additional employment.

Alcohol Management Plans (AMPs) provide an example where legislation to address an important problem has had unintended consequences:

*AMPs require some further thought and linking with other changes. Sly grog creates binge drinking of strong alcohol. Spirits are easier to bring in due to lower volume. Alcohol being so expensive due to its contraband nature is consumed quickly – partly to avoid police detection but also to reduce humbugging from family and friends. Thus AMPs can inadvertently promote high consumption of high alcohol content beverages. There is little doubt that AMPs have had positive effect in places such as Aurukun. Nonetheless some further deliberation on optimum legislation is warranted. (Hannan sub. 24, pp. 3–4)*

Unintended consequences often begets ever greater policy responses and contributes to the maze of policies and funding arrangements. The range of policies and services being delivered to address and reduce welfare dependency is an important example.

## Moral hazard

The problem of welfare dependency in communities demonstrates the potential of policies to produce results very different to those that are intended (Box 5.6). Welfare dependency is also a good case study in the problem of moral hazard, as the provision of income support altered behaviours damaging to individual welfare and communities. The provision of income support led to a growing demand for more income support and the slow erosion of social norms (such as work ethic) over time (CYI 2007).

## Box 5.6 The Cape York Institute on the road to welfare dependence

A range of factors have contributed to the collapse of social norms in Indigenous Cape York Peninsula. Indigenous Australians were violently dispossessed from their land, and experienced forced co-location and long periods of living under rigid missionary rule. The lives of Indigenous people in Queensland were for several generations regulated under discriminatory State protection laws. The impact of dispossession varied in different parts of Cape York Peninsula. These events undermined or made irrelevant many of the social norms which governed Indigenous social life prior to white settlement.

However, even under oppressive circumstances, Indigenous people built socially strong families and stable communities, such as the community of Hope Vale. Forty years ago, a majority of people in Cape York Peninsula had internalised strong values in relation to personal conduct and participation in the real economy.

The belated recognition of full citizenship brought equal rights, freedom from discrimination and entitlement to welfare. Three policy shifts at the end of the 1960s and in the early 1970s were unavoidable consequences of the end of discrimination:

- The introduction of equal wages in 1965 resulted in Aboriginal stock-workers losing employment in the cattle industry and shifting to sedentary life in settlements and on the fringes of country towns. This corresponded with a more general downturn in Indigenous employment in many other rural industries.
- Equal Citizenship in 1967 carried with it the right to enter pubs and drink alcohol.
- The Commonwealth Government providing the now idle Aboriginal men with unemployment benefits that could be used to buy alcohol.

However, introducing idle time, free money and the right to drink had the unintended consequence that the preconditions for alcohol abuse epidemics were created ... The three policies outlined above were followed by a wave of passive welfare service solutions to the escalating problems in the 1970s and 1980s. Across the spectrum of social and economic life, including housing, legal aid and education, policies were implemented which increasingly displaced responsibility from Indigenous people.

Source: Cape York Institute 2007, p. 20.

## Decision-making

The exercise of authority over resources almost entirely happens within the public sphere in communities. Therefore, career advancement in communities is tied to the processes which allocate resources (provided from external sources) and deliver funded services.

There are many problems with political decision-making in Indigenous policy:

*There is a level of frenetic chopping and changing, and policy pulsing, that comes with electoral cycles and as the political pendulum swings from left to right. Key decision-makers are not in it for the long haul, and are rarely in it long enough to learn from their decision-making over time and to be able to use the sum of that experience to drive better outcomes. Fresh-faced ministerial enthusiasms at the state and national level ensure that decision-making in Indigenous policy feels much like a merry-go round—replete with the same old traps and reinvented wheels. (Empowered Communities 2015, p. 33)*

Strong political pressure in responding to community concerns may create an effective demand for action before there is adequate knowledge or time to consider potential side effects. The short time horizon and high time discounts of political actors predispose them to overlook potential unintended consequences of policy.

Indigenous policy is characterised by some recurring problems:

- **Purging:** reforms typically discredit everything that came before. As a result, much developing capacity is swept away with each wave of reform.
- **Policy swings:** policies come and go with regularity, usually overreaching before being replaced (for example, centralisation and decentralisation of powers).
- **Mimicking:** if something is found to work, it is replicated and rolled out in other areas. This often does not work because there are often local factors which are not taken into account, standardisation does not work, or policies or programs have been poorly evaluated (that is, success falsely attributed to policy).
- **Contradiction:** not only do policies and programs overlap, but they also often contradict each other. Programs often have different underlying models for behavioural change, which can be contradictory at the point of impact on their intended beneficiary (Moran 2016, pp. 178–180).

While consultation processes are common, government priorities may not align with community priorities:

*Where funding is directed depends on government priorities which are guided by political cycles and government's re-election and as a result, community needs are often not included in resource direction or policy setting. (Joint YASC & YLF sub. DR14, p. 4)*

Other problems include the problem of low expectations, political and bureaucratic risk averseness, the maturity of the public discourse concerning Indigenous affairs, political cycles and fads, and the risks of concentrated authority at all levels of government (Table 18).

Internationally, the importance of support for local participation in development has waxed and waned resulting in a cyclical nature to policy swings:

*Fads, rather than analysis, tend to drive policy decisions on participatory development. Passionate advocates spark a wave of interest, followed by a few years of disillusionment, which gives ammunition to centralizers, who engineer a sharp reversal. In time, excessive centralization generates negative fallout, which reinvigorates the climate for local participation. (Mansuri and Vijayendra, 2013, p. 80)*

A similar cycle appears to be happening in Australian labour market policy. The Community Development Employment Projects (CDEP) ran from 1977 to 2007. CDEP was then abolished and remote Indigenous employment was brought within the mainstream Job Services Australia (JSA) (2007 to 2013). In 2013, remote employment services was moved under the Remote Jobs and Communities Programme (RJCP) where it remained only until early 2015. The RJCP then morphed into the Community Development Programme (CDP). CDP has been subject to criticisms<sup>16</sup> and it appears that the cycle is to commence again:

*On 9 May 2017 the Government announced it will be undertaking a consultation process in the coming months on a new employment and participation model for remote Australia ... This will give the Government time to work out, with communities, an ideal remote employment service and what will work best on the ground.<sup>17</sup>*

<sup>16</sup> See the submissions to the Senate review of CDP at [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Finance\\_and\\_Public\\_Administration/CDP](https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Finance_and_Public_Administration/CDP).

<sup>17</sup> Accessed at <https://ministers.pmc.gov.au/scullion/2017/coalition-government-support-indigenous-jobs-and-business-sector>.

*The successive and significant changes in policy directions has had negative consequences for participation and has frustrated communities: The removal of the Community Action Plan (which was developed under the Remote Jobs in Communities Program (RJCP)) from CDP took away the tangible evidence of community input into the programme and left communities with the impression that their input was not valued. Without the Community Action Plan the social accountability to the community is lacking in the CDP. (TSRA 2017, Submission to Senate Review of CDP, p. 3)*

**Table 18 Problems in political decision making**

Nature of the problem	Implications
Low expectations	Having low expectations about the potential for positive change leads to complacency that the best that can be done is not much different to what is currently done. It can erode the building of a consensus for reform and increases the perceived risks of major reform efforts.
Risk averseness	Both politicians and government agency decision-makers are highly risk-averse. They may see a greater downside risk to making a major policy change than an upside benefit. Part of the problem is that benefits tend to be longer-term in nature, with failings more immediate and in full public view.
Maturity of public discourse	Risk-averseness of politicians is partly determined by the maturity of public discourse. When the public's discussion of issues more closely reflects the complexity of the issues involved and is not driven by 'headline crisis', then this supports better policymaking. Public discourse can focus too much on failings, whereas a transparent discussion of failings is a necessary part of the process of learning and improvement.
Winds of policy change	Indigenous policy changes direction frequently. Some of the causes of this problem includes competing political ideologies, policy fads, and the incentive to be seen to be doing something about an important problem that is different from the predecessor government. An underlying problem can be a lack of a clear evidence base around which consensus can be built.
Risks of concentrated authority	All three tiers of government and their agencies exercise authority over significant resources. Some decisions, and the implementation of policy by agencies, are influenced by the desire to protect that role. This can conflict with reforms that seek to devolve a greater share of authority closer to the people impacted by the decisions of governments. Concentrated authority can also contribute to the problem of rigid institutions and processes, and impede individual and community action supportive of development.

## Internal incentives and rising costs

Communities acknowledge that the aggregate envelope of money given to Indigenous-specific policies and through mainstream organisations to provide services in communities is large. However, there are strong concerns about the proportion of the resourcing that gets consumed by 'the system'.

Within the public sector, there are inherent biases to expand and consume an increasing share of program resources in administration costs (Box 5.7):

- there is less of an incentive to produce efficiently compared to organisations that face the disciplines of the market sector, and there is less of an incentive to control costs over time
- there is a tendency for policies and the apparatus that supports the policy to grow in complexity.

Stakeholders raised concerns about the efficiency of service delivery and the share of resources consumed by unnecessary administrative and compliance costs:

*Indigenous councils are concerned about the amount of 'leakage' that occurs between the time funding is allocated to the time the service is delivered to the community. (LGAQ sub. 14, p. 5)*

*At times it is clear that funding bodies place more emphasis on funding compliance than on actual service delivery outcomes. Often compliance issues raised with the organisation are of a minor nature ... Responding to such queries is time consuming and repetitive, and the requests are often generated by Departmental staff with limited understanding of the NGO. (Palm Island Community Company sub. 29, p. 8)*

## Box 5.7 Why bureaucracies expand

### Inefficiency

Markets link, however imperfectly, the costs of producing or conducting an activity to the income that sustains it. Non-market activity (such as, government directly providing a service in a community) removes this link because the revenues that sustain non-market activities are derived from non-price sources (that is, taxes). The absence of the link separates the adequacy and value of the non-market output from the cost of producing it, increasing the scope for the misallocation of resources.

Non-market activities often exhibit rising costs (dynamic inefficiency) and redundant costs (technical inefficiency). If possibilities exist for lowering costs or raising productivity these opportunities are less likely to be exploited fully by non-market than by market activities. The rewards from improving performance are less for non-market decision makers, while their risk-averseness is higher.

### Internal incentives

In non-market organisations, output is hard to define, feedback from consumers is lacking, and there are often no competing producers providing incentives to control costs; therefore, non-market agencies often develop internal standards that do not bear a clear or reliable connection with the ostensible public purpose that the agency is intended to serve.

### The maximisation objective

Agency decision-makers may seek to maximise the size of their agency or budget, or minimise risks, rather than maximising the value of their outputs over costs for a given level of risk. Agency decision-makers may promote the activities of the agency in the same way a business seeks to expand its activities.

### Increasingly complex solutions

Bureaucrats have incentives to design, promote and support complex policy initiatives that both increase the scope for discretion and help increase their budget. Where impacts are complex and difficult to determine, the electorate will have difficulty holding elected officials accountable for policy failures. It may be very difficult to identify the net impacts of a policy, and then to assign responsibility.

*Sources: Wolf 1988; Butler 2012.*

The problems of the lack of a strong mechanism linking the value of outputs (services) to their costs, internal incentives and maximisation objectives also contribute to the problem of resources not being allocated to their most valued uses (allocative inefficiency).

The complexity of the system makes it less transparent, which diminishes the ability of taxpayers and Indigenous people to hold the system to account for the services it provides. Poor performance of policies leads to an expansion of policies as decision makers seek to influence/control more of the factors affecting policy outcomes, or to deal with the consequences of the policies.

Bureaucratic expansion impedes change, including community-led initiatives:

*There is a need for a mechanism to address specific cases of high levels of bureaucracy and red tape within the Queensland Government bringing key community driven initiatives, programs, funding and service deliveries to a grinding halt due to the bureaucracy built within the State structures. (Torres Shire Council sub. DR7, p. 2)*

*A similar model was proposed following the Fitzgerald Inquiry when negotiation tables were established by the Beattie Government. Consultants were employed to develop community plans. Government departments however, kept doing what they had always done to a large extent. (Turnour sub. DR10, p. 1)*

Bureaucracies also expand in response to political decisions, including decisions to continue programs that should be ceased:

*Many programs don't work but continue to receive funding regardless. Like the bewitched broomsticks in The Sorcerer's Apprentice that continue to multiply, new initiatives are piled on top of old ones that have failed. Simply doing more, by way of providing more services and more programs, cannot produce a different result... Taxpayers and Indigenous people themselves should rightly expect better outcomes for the amount of public funds expended. (Empowered Communities 2015, pp. 51–52)*

Overcoming the weight of bureaucratic processes has proven to be a significant challenge to achieving reforms including place-based reforms agreed by state governments and the Australian Government:

*In 2008, the National Partnership Agreement on Remote Service Delivery identified 29 Indigenous communities for intensive place-based planning and coordination of service delivery by both State and Commonwealth. Baseline mapping of data about service gaps (compared to mainstream comparator communities) was to lead to negotiation with the community of Local Implementation Plans to collectively address the gaps. The whole exercise collapsed under the weight of bureaucratic process and did not sufficiently invest in Indigenous community governance capacity to give any real agency to Indigenous people. (Limerick sub. DR5, p. 2)*

The design of reform proposals should be aware of the incentives that exist in existing institutions and processes when considering the relative merits of alternative arrangements.

## Rigidity of policy, legal and administrative frameworks

The system of policies, laws, regulations and administration is often highly inflexible. Laws, regulation and policies can be difficult to change. Inflexibility impedes an approach to policy where the knowledge learned from monitoring and evaluation results in incremental improvements to policy.

Rather than reform existing institutions and policy, particularly where solutions cut across levels of government, it is often easier to introduce a new expenditure program. This fulfils the imperative to be seen to be doing something, it responds to internal incentives for expansion, and it avoids the problems of changing existing programs and institutions (including laws and regulations).

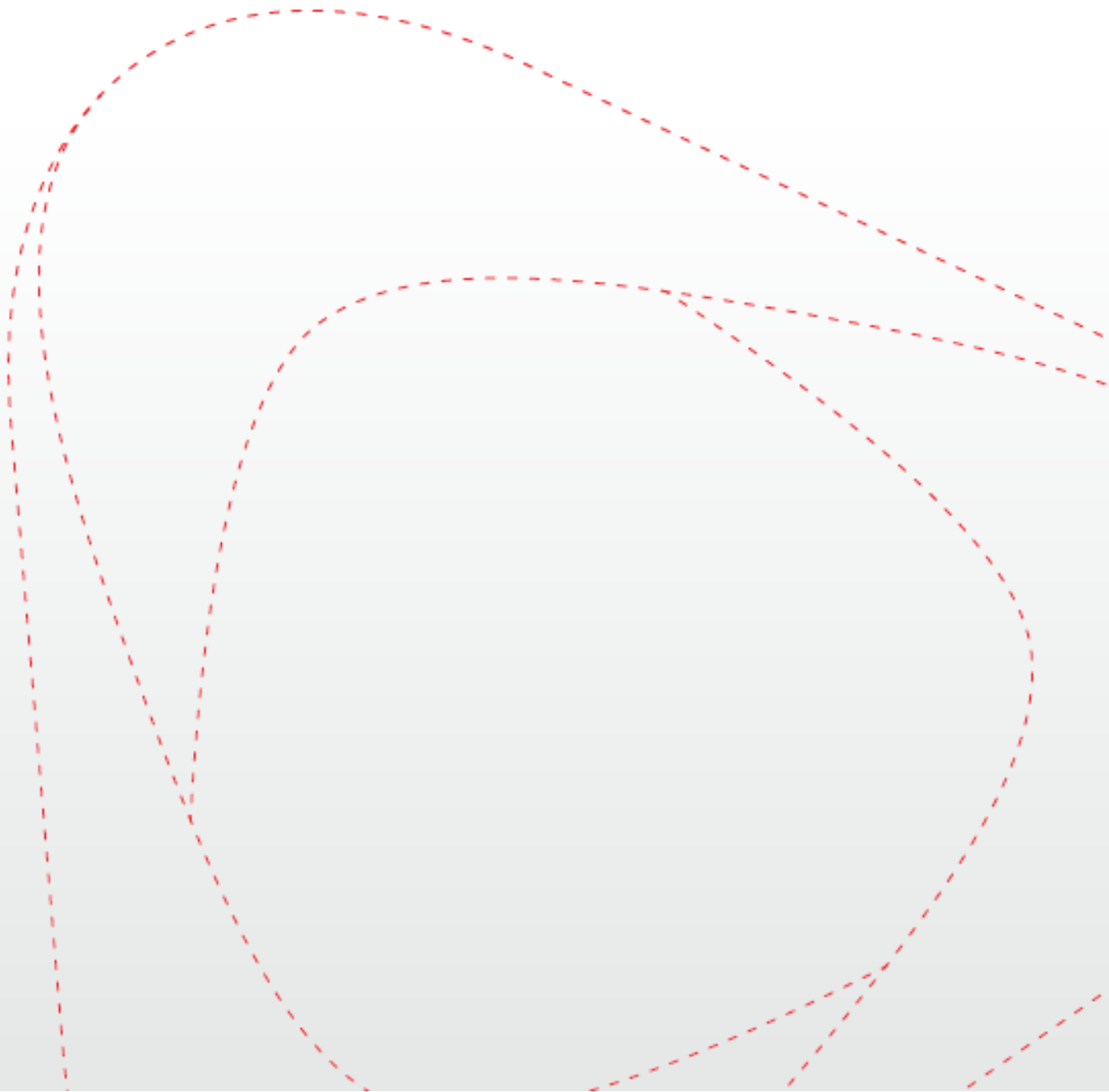
## 5.5 Key implications for this inquiry

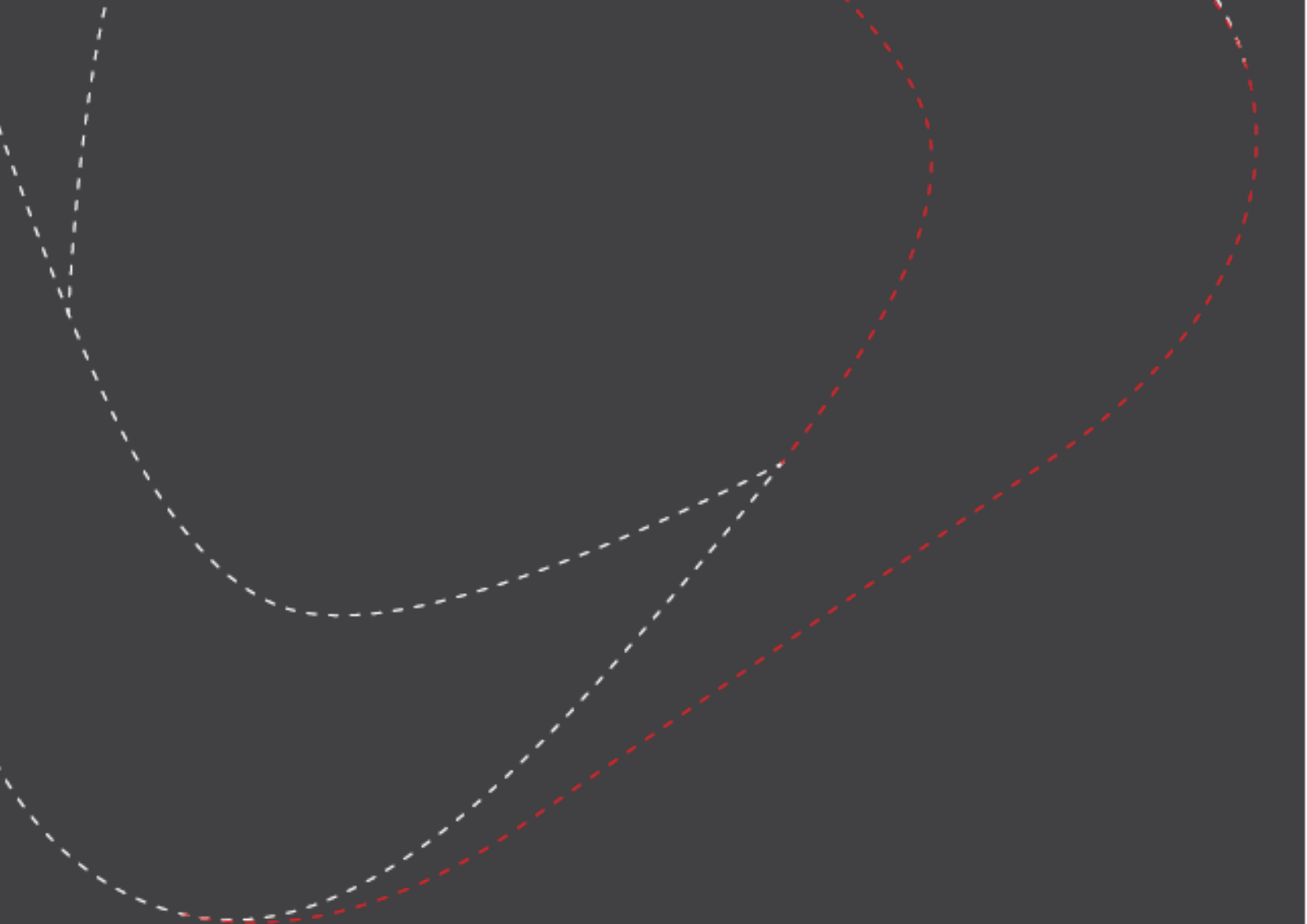
There are opportunities to improve the existing institutional, funding and policy frameworks for service delivery. Effectiveness and efficiency can be enhanced through reforms that:

- place service delivery within a framework of economic and community development
- correct incentives to achieve better outcomes for individuals and communities
- make better use of the knowledge held by Indigenous people throughout the policy cycle
- reduce reliance on government activity
- improve accountability and reduce inefficiency.

There are systemic reasons why these types of reforms are difficult to achieve within the existing system, suggesting that a renewed reform effort is required, and that a new set of arrangements may be required.

Part B of this report sets out a reform proposal to facilitate change.



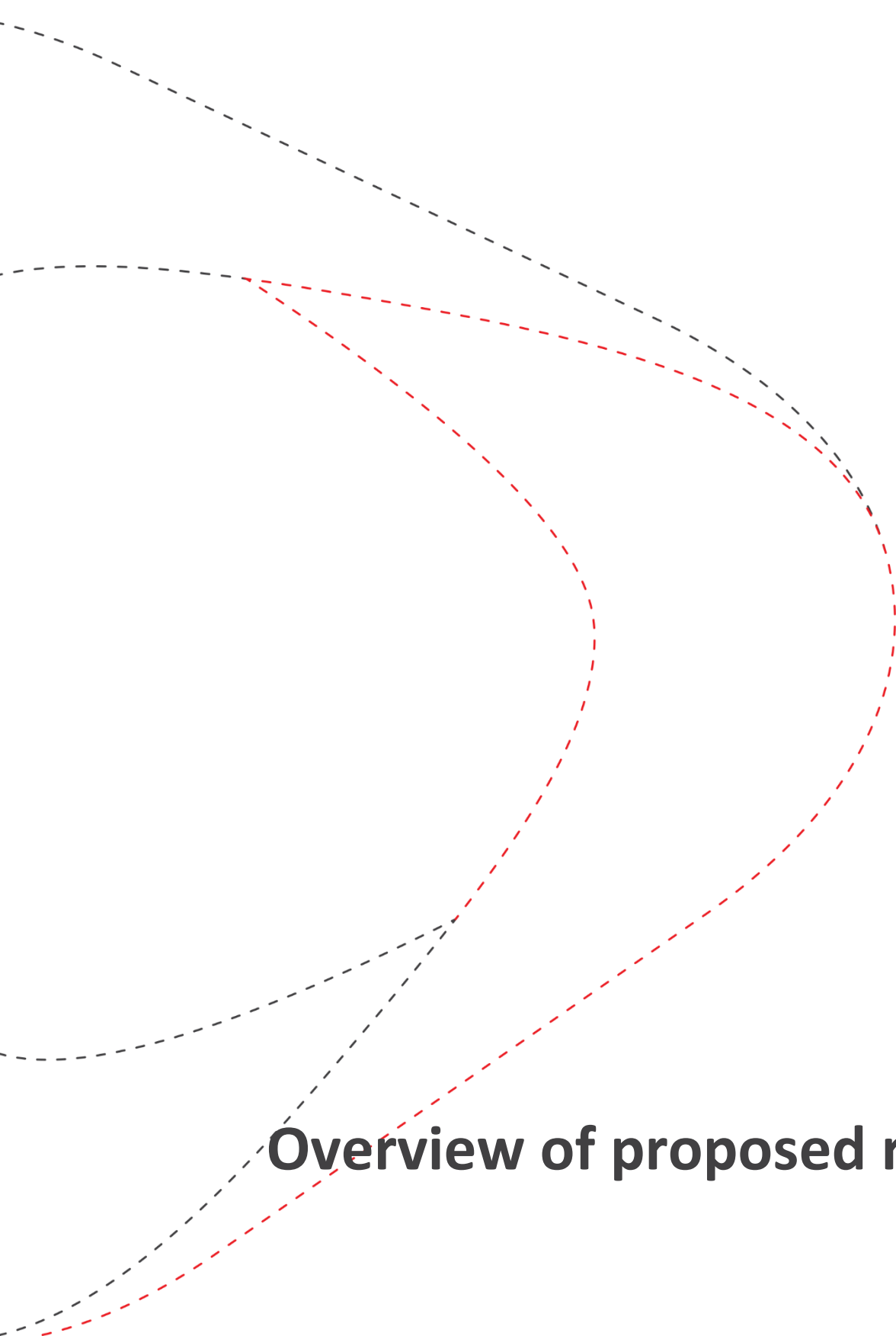


## **Part B: The Way Forward**

## Part B of the report provides details on the way forward

Part B is set out as follows:

- Chapter six is an overview of the reforms, describing the nature of the proposal and key components.
- Chapter seven outlines the structural changes to roles and responsibilities in the reform.
- Chapter eight identifies the direction for policy reform and improvements to the service commissioning cycle.
- Chapter nine considers the role of economic development and what can be done to facilitate employment and growth in communities.
- Chapter ten outlines a monitoring and evaluation framework and its role in supporting the reform proposal.
- Chapter eleven sets out some practical matters that will need to be considered to implement enduring reform.



# 6.0 Overview of proposed reforms

*A key finding of this inquiry is that government expenditures are not meeting expectations towards closing the gap across a range of outcomes. There are clear opportunities to improve practice and performance.*

*This section provides a brief overview of a proposed reform agenda the Commission believes is most likely to achieve the changes required to improve outcomes in communities. The remainder of Part B of this report examines each element of the proposal in more detail.*

## Key points

- To reform service delivery, a number of approaches could be taken, from incremental policy improvements and better commissioning of services to more fundamental structural reform.
- The evidence presented to this inquiry suggests that although there is a need to build on successes, ‘more of the same’ is unlikely to achieve community and government goals. A more fundamental change is necessary—stakeholders, too, overwhelmingly support the need for reform.
- The potential benefits from reforms that improve outcomes are large—addressing the root causes of disadvantage would deliver at least \$500 million in benefits every year.
- The proposed draft reform agenda has three key elements:
  - structural reform—to transfer accountability and decision-making to regions and communities, reform funding and resourcing, and ensure independent oversight
  - service delivery reform—to better focus on the needs of individuals and communities through service delivery models that suit the circumstances
  - economic reform—to better support community development, enable economic activity and make communities more sustainable.
- All reform elements need to be supported by building the capacity and capability of government, service providers and communities to work together and engage with reforms.
- The reforms are intended to:
  - increase the effectiveness of services delivered into remote and discrete communities and achieve better value for money for government expenditures
  - empower individuals to take greater responsibility for outcomes in their communities
  - improve the lives of Aboriginal and Torres Strait Islander people living in remote and discrete communities.
- There will be transition costs, but the reform is about better use of existing money, rather than new expenditure.
- It will be essential to get implementation right—the reforms will take time to implement and will require a long term commitment.

## 6.1 Rationale for reform

Part A of this report provided an overall assessment of the current approach to service delivery in remote and discrete communities.

It showed that there have been many billions of dollars invested in remote and discrete communities by successive Australian and Queensland Governments. Despite this investment, the social, health and economic outcomes in most remote and discrete communities have gone backwards, remained static or improved only very slowly. As a result, outcomes for Indigenous Queenslanders in remote and discrete communities remain far behind their non-Indigenous counterparts and have failed to keep pace with gains achieved by Indigenous Queenslanders in the rest of the State.

A large part of the problem is that individual choice, markets, rewards and responsibilities have a limited role in these communities. Although there has been a significant effort to increase community consultation, decisions about service provision are largely made centrally by people who are distant from the ‘wicked’ problems facing remote and discrete communities. Although there are strong financial reporting requirements, accountability for performance is relatively weak, with few measures to ensure that services are responsive to the needs of residents in discrete communities. As a result, despite the best intentions of individuals on the ground, service delivery often does not match the needs of the people it is supposed to serve.

The Commission observed, and stakeholders reported, numerous stories about the duplication and gaps in service delivery. These arise because there are significant overlaps in responsibility between organisations, agencies and between levels of government. Funding for externally provided services is overly fragmented and uncertain, and mainstream service delivery remains siloed despite efforts at coordination.

Consultations with stakeholders revealed dissatisfaction with the way decisions are made, funding is allocated and services are measured and evaluated:

*Aboriginal and Torres Strait Islander local governments in Queensland have been raising the issue of service delivery for many years. They are concerned to see major structural changes in how services are funded and evaluated. They wish to ensure service delivery within their council area is co-ordinated, avoids duplication, is tailored to meet the varying needs of each community and maximises local economic participation and the percentage of each government dollar spent on the ground. (LGAQ sub. 14, p. 3)*

These issues are not new. For example, in July 2001, the then Premier Peter Beattie commissioned Justice Tony Fitzgerald QC to lead a review of justice issues in Cape York communities. The findings of the Fitzgerald review mirror many of this inquiry. As the Government response to the review noted:

*The Study made clear that government service delivery is inefficient, inaccessible to many who require service and is often unable to be delivered where and when it is required. The Study identified complex funding arrangements, fragmented service delivery, competing departmental priorities, which were unconnected to community agreed and owned priorities, as barriers to integrated processes. (Spence MP 2003)*

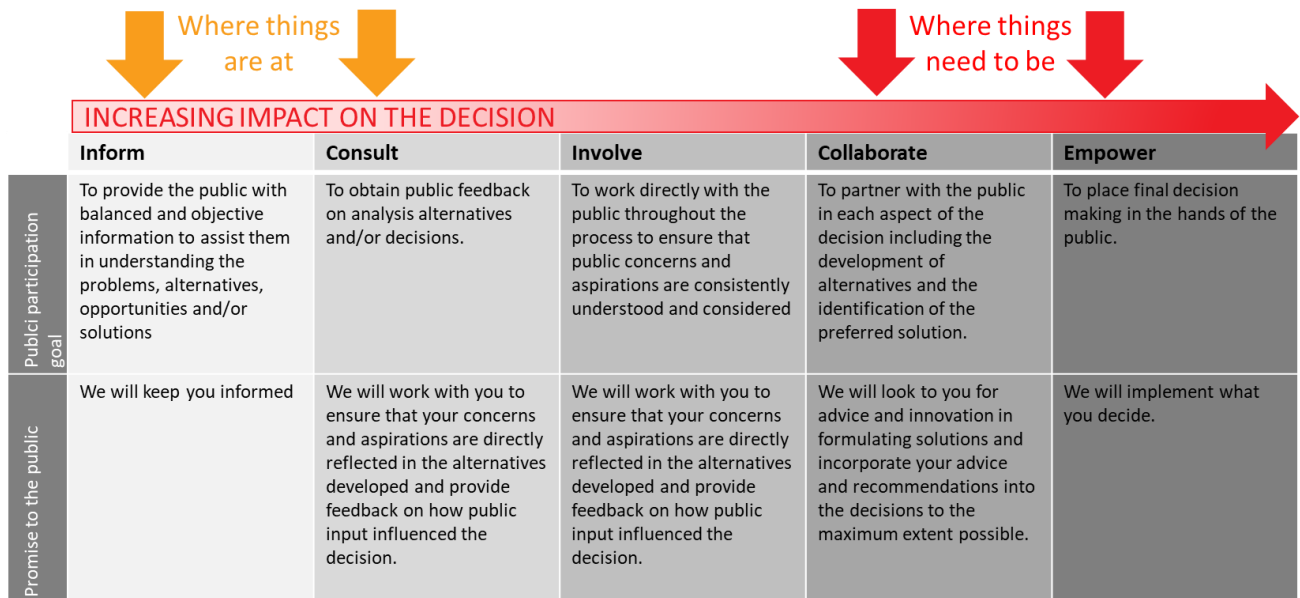
## 6.2 A need for greater community control and responsibility

The evidence suggests (see Box 6.1) that improving outcomes will require that communities exert more control over service delivery. Stakeholders, including government policy makers, agree about this. Indeed, the Fitzgerald Cape York Justice Study (Fitzgerald 2001) recommended mechanisms to increase community control, and these recommendations have been mirrored by numerous other reviews and initiatives (for example see Crime and Misconduct Commission 2009, RCADIC 1991, AHRC 2012, Empowered Communities 2015, AG 2014, NTRC 2017).

Despite these recommendations, there is little evidence that communities exert influence over service delivery in their communities (Figure 39). There are isolated examples of initiatives to increase community control over some elements of service delivery (such as through the Welfare Reforms), and the evidence suggests there has

been significant improvements in community governance capacity. However, in general, there has been a lack of progress and stakeholders continue to express a strong desire for change.

**Figure 39 Our assessment of where remote and discrete communities sit on the spectrum of public participation**



Source: Adapted from IAP2 Federation 2014.

There are many reasons for the lack of progress, including challenges associated with developing governance capacity in communities. However, progress has been hampered by (Queensland and Australian) government’s inability to fully commit to reforms.

When things have gone wrong or progress was slow, the natural tendency of government has been to take control. While this may provide a short-term fix, it fails to empower or address the long-term needs of remote and discrete communities. Rather, it embeds a cycle of policy making that (as noted by Moran (2016)):

- purges—reforms tend to discredit everything that came before it, with developing capacity swept away with each wave of reform
- swings—policies come and go with regularity, usually overreaching before being replaced
- mimics—if something is found to work it is replicated in other areas without taking into account the local factors that determine success
- contradicts—not only do policies and programs overlap, they often contradict each other.

These issues are well known—stakeholders in government are acutely aware, and often had a deep understanding of the issues. Many were involved in developing innovative, and sometimes successful solutions. However, overall, the centrally managed service delivery system is failing to solve the complex and challenging issues in remote and discrete communities.

## Box 6.1 What works—governance in Indigenous communities

The evidence about what works in service delivery in remote Indigenous settings in Australia is scant. However, the evidence that is available suggests that the active involvement of Indigenous residents is a crucial condition for success, particularly for those services attempting to address the underlying causes of dysfunction in communities (Hunt 2016).

More robust evidence is available from overseas, particularly from research into Indian reservations in the US and Canada. This research shows that:

- Community control of primary health care is associated with improved health outcomes—the longer primary health care is in community control the larger the effect on outcomes (Lavoie et al. 2010).
- External controls imposed on communities stunt long-run income growth—tribal sovereignty and economic growth tend to co-align (Frye & Parker 2007)
- Research conducted in British Columbia demonstrated that those communities that had achieved a measure of self-government—had exercised land rights, promoted women into positions of leadership, preserved culture and worked to gain control over their civic lives (health, policing, education and child-welfare services)—had very low rates of suicide compared to those communities that did not (Lalonde & Chandler 2015).
- A significant body of international evidence suggests that self-determination and strong governance structures are linked to better outcomes in Indigenous communities:

*It is striking that the measurable progress achieved by First Nations is not a result of government programs. It comes from self-determination: taking control of their own affairs and making the most out of their assets. The most effective government intervention has been legislation to remove roadblocks and create opportunities that First Nations can exploit under their own initiative. (Flanagan 2016, p.ii)*

- The Harvard Project on American Indian Economic Development examined social and economic development on American Indian reservations to identify why some American Indian nations are more economically successful than others. They found that the best predictors of economic success were not those factors that are classically thought of as “economic”, such as education, natural resource endowments, location or access to capital. While these had value, their contributions to economic development depend on a prior set of largely political factors being: practical self-rule; capable governing institutions; and culturally appropriate governance (Carnell & Kalt 2003).

*When Native nations make their own decisions about what development approaches to take, they consistently out-perform external decision makers—on matters as diverse as governmental form, natural resource management, economic development, health care and social service provision (HPAIED 2015).*

## 6.3 Widespread support for reform

Stakeholder meetings and submissions indicated a strong desire for reform. This was not only true amongst community stakeholders, but also amongst agency leaders, policy developers and frontline workers within the Queensland Government, NGO service providers and the Aboriginal and Torres Strait Islander leadership.

The desire for more independence from government and control over service delivery was evident in most communities:

*Governments persist with fly-in, fly-out models of service delivery and centralised decision making. It is time for this entrenched model to shift ... [TSIRC recommends that] the Queensland Government establish a whole-of-government approach that gives back decision making, funds-management, service planning and delivery, to the greatest possible degree possible, to the local TSIRC region. (TSIRC sub. 12, pp. 8, 11)*

*The aspiration of Yarrabah is to enable the community and individuals to choose and coordinate their own path to empowerment and development. (Central Queensland University sub. 7, p. 3)*

*Woorabinda community members need to be considered best placed to drive change in their community. This requires a bottom-up approach to accommodate not only meaningful engagement but more importantly, community ownership. Local decision making, program design, the ability of community to participate in problem solving, and respect and understanding for local cultural constraints are critical aspects of the process. (The Woorabinda Aboriginal and Torres Strait Islander Corporation for Social and Emotional Wellbeing and Health sub. 5, p. 2)*

*Consultation in the past has been tokenistic and negotiations need to occur for equal relationships to develop. (Barambah Local Justice Aboriginal and Torres Strait Islander Corporation sub. 2, p. 4)*

*Closing the Gap on Indigenous disadvantage requires a paradigm shift in the approach of government to service delivery in remote Indigenous communities ... For too long Indigenous communities have been told what is best for them. This disempowers and alienates communities. It is not the basis for a mutually respectful relationship. (LGAQ sub. 14, p. 19)*

Submissions from researchers, peak bodies and other representative bodies also stated a clear preference for large changes to the way services are funded, delivered and designed. The Cape York Institute argues that a transformation reform agenda is required to improve service delivery:

*Given the broad scope of the inquiry, at the outset a fundamental point must be made. The desired destination – that is, convincing improvement in outcomes in remote and discrete Indigenous communities – cannot be reached through improving the current model of service delivery. What is required is a complete shift – that is, a transformation that replaces the current service delivery model with a new approach ... There is little value in pursuing programmatic reform that is not guided by structural reform that correctly diagnoses and responds to the flaws that are embedded in the foundations and operations of the current system. (Cape York Institute sub. 26, p. 3)*

*... the way that services for remote communities are designed and delivered has become too removed from the recipients of those services and has fundamentally disempowered Indigenous community residents by denying their sense of agency in the key decisions that affect them ... Structural and service-delivery reform that prioritises more devolved, community-driven, co-designed service delivery, complemented by economic development [is needed]. (Limerick sub. DR5, p. 1)*

This view is shared by the Queensland Family and Child Commission:

*The QFCC believes significant systematic change in funding, service delivery, governance and evaluation is required to ensure government money is well spent and outcomes are achieved. (Queensland Family and Child Commission sub. 15, p. 1)*

The Centre for Independent Studies suggests that any reforms must change the way decisions are made, with greater responsibility devolved to communities:

*The ultimate outcome of this transition is to vest greater decision-making power in Indigenous communities to create a co-accountable approach to service-delivery management and outcomes. In this framework the community holds the decision-making capacity as to how and where money is spent for additional services, according to each community's individual needs. The federal and Queensland governments should instead act as a single point of contact for the community to provide economic provisions and advice, but the ultimate decision-making capacity lies with the community. (Centre for Independent Studies sub. 21, p. 6)*

QCOSS concurs with this view, stating that service delivery models need to be place-based, with greater emphasis on community views:

*QCOSS supports citizen-led, collaborative, place based approaches to develop tailored responses to the challenges faced by local communities... they enable joined up and integrated engagement over complex social problems and contribute to the development and provision of services which are reflective of, and responsive to community needs, strengths, opportunities, and cultural sensitivities. Such a holistic approach to service delivery is crucial to producing better social outcomes. (QCOSS sub. 18, p. 1)*

The National Centre for Wellbeing adds that any reform agenda needs to include and empower individuals and communities:

*For Indigenous children to enjoy brighter futures; barriers to education, employment and accessing health services, together with the high risk environments in which some are raised, must be addressed through sustainable solutions. The issues are complex; however, the evidence suggests that genuine inclusion and empowerment of community members through what sustainability education advocates call 'deep learning' is paramount. (National Centre for Wellbeing sub. 16, p. 1)*

Similar opinions were expressed in conversations during our consultations with service providers and government frontline workers:

*We will never be able to make it work from George St. (anonymous State Government policy officer)*

*We have to go to one door for this, another door for that. There needs to be a one-stop shop. (Anonymous community service provider, Mt Isa)*

*There needs to be a delegation of decision making power to people on the ground... they don't have any delegated authority and need to seek approval from Canberra to do anything. (Anonymous frontline worker, Torres Strait)*

*There is no input from community on how services are developed. Programs are written up in Cairns, then ask the community to accept that. Government doesn't come back and ask community what they want. (Anonymous, Coen)*

The Australian Productivity Commission's current inquiry into human services draft findings include:

*Place-based approaches—service delivery models based on achieving outcomes for a place—are more likely to contribute to achieving community priorities than programs that align with jurisdictional, departmental or program boundaries. (PC 2017a, p. 235)*

## 6.4 Options for reform

The terms of reference ask us to identify investment practices and/or services and programs that are likely to be most effective in improving outcomes. The Commission identified several options for reform (Figure 40), and assessed these against a set of principles based on the current state of knowledge of what works (Box 6.2).

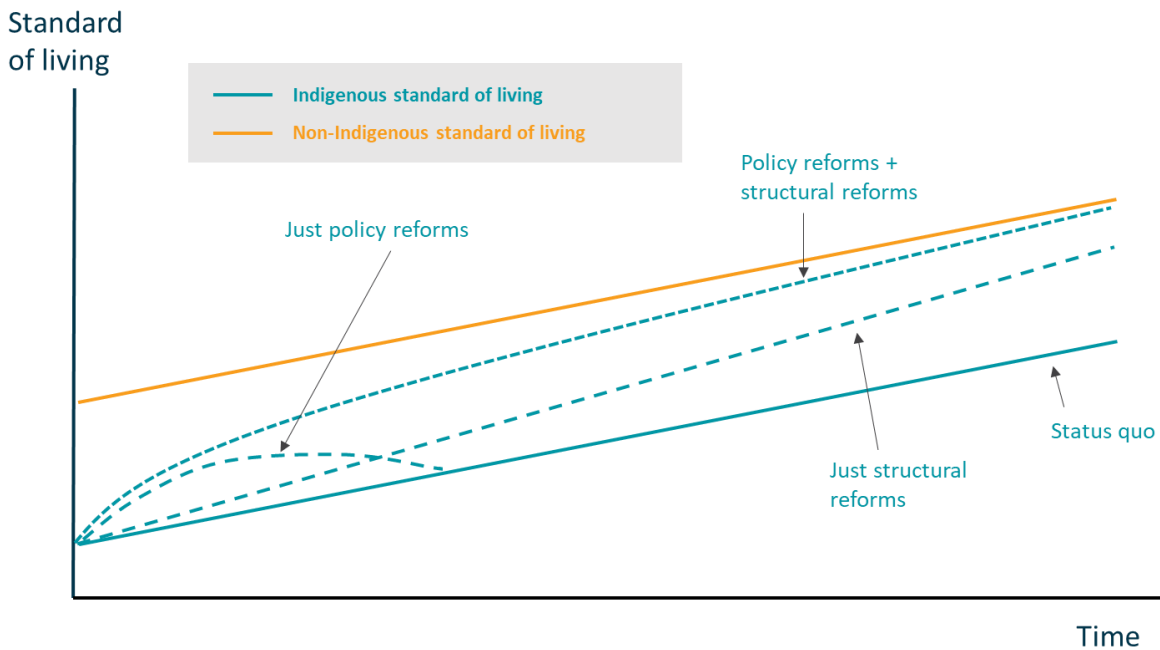
The first option is to **maintain the status quo**. This approach is based on incremental change, and emphasises caution, suggesting large change risks doing more harm than good. The evidence, however, suggests that the status quo is failing to make sufficient progress towards closing the gap on Indigenous disadvantage. It is likely that more far-reaching reform is required.

A second approach is to make **better use of policy tools** that focus on the needs of individuals and communities—such as more flexible funding instruments, place-based approaches, user-driven models or social reinvestments. These instruments (and others) are all important policy tools, and increasing their use is likely to be important to improve outcomes for communities. However, in the absence of other, more comprehensive, reforms to change decision-making and accountability, they are unlikely to embed a permanent change, and things will soon revert to the status quo.

A third option is for **government to commit to a structural change** that delegates decision making and accountability for service delivery to communities. This approach will embed change, ensure that service delivery is accountable to communities and empower communities to move away from government-provided support. Progress, initially, is likely to be slow. Not all communities are ready for this change, and it will take time to change the way decisions are made and for communities and government to develop the capacity to do things differently.

The fourth option involves **both structural and policy reforms**. This option acknowledges that, in order to give policy instruments the best chance of working, a comprehensive reform agenda is required. Communities need to be empowered and enabled to make decisions about service delivery, but they also need access to the full range of policy tools and instruments that are most likely to improve outcomes.

**Figure 40 A stylised assessment of options for reform—a comprehensive reform agenda is most likely to improve outcomes**



## Box 6.2 Assessing reform options

The Commission considered reform options against a set of principles that encapsulate the current state of knowledge about 'what works'. These principles include:

**Subsidiarity:** Issues should be dealt with at the most immediate or local level that is consistent with their resolution—a central authority should have a subsidiary function, performing only those tasks that cannot be performed at a more local level (DPMC 2014, p. 20).

**Durability:** Any change should be sufficiently robust and durable for the long term. There needs to be a process for responding to changing circumstances that allows for any new arrangements to be amended through mutual agreement. However, reforms must avoid the ad hoc decisions that have plagued Indigenous affairs.

**Fiscal sustainability:** Fiscal sustainability is essential to ensure a mechanism for Indigenous peoples to exercise their own government jurisdictions. Although it is unlikely that many Indigenous communities will be fiscally independent in the foreseeable future, reforms need to promote greater independence and foster viable communities.

**Accountability:** There should be clarity about who is responsible for decisions—both good and bad. Good governance requires accountability for the expenditure of public money, but there should be a balance between accountability requirements and the need to allow decision-makers to learn from mistakes. Service providers need to be accountable to the communities they serve.

**Efficiency, effectiveness and equity:** Outcomes-focused service delivery models can assist the delivery of equitable, efficient and effective services by allowing flexible design and delivery, meeting local needs and contexts, giving greater priority to community-led-and-owned needs assessment and planning, decision-making and accountability (PC 2017a, pp. 23–24).

**Empowerment and development:** To move away from a dependence on government, people and communities need to be vested with the autonomy to represent their own interests. Empowerment captures the idea that providing people and communities with the necessary skills, resources, authority, opportunity, and motivation—as well as holding them responsible and accountable for outcomes of their actions—will contribute to their competence and self-determination. Central to the idea of community development is the concept that community members are experts in their lives and communities—they take the lead in making decisions on issues, selecting and implementing actions, and evaluating outcomes.

**Practicality:** Reforms must be able to be implemented in a reasonable timeframe, work with the direction of other reforms, mesh with all levels of government and have the support of key stakeholders, including Aboriginal and Torres Strait Islander communities.

## 6.5 The reform proposals

The reform proposals set out in Part B of the report have three key elements:

- **structural reform** that transfers accountability and decision-making to regions and communities, reforms funding and resourcing, and ensures independent oversight
- **service-delivery reform** that focuses on the needs of individuals and communities, such as user-driven services and place-based models
- **economic reform** that supports community development, enables economic activity and makes communities more sustainable.

Each of these reform elements must be underpinned by support for capacity and capability building—for government, service providers and communities.

The proposed reforms devolve decision-making authority to communities and provide mechanisms to ensure services are more accountable to those that use and depend on them. Changes that allow longer-term and more flexible funding arrangements are also proposed, so that communities and service providers can adapt and learn as they go. Reforms should be backed up with an open and transparent evaluation framework that encompasses a holistic view of progress in remote communities and establishes regular public reporting of expenditures, outcomes and the progress of reform.

Better use of the policy tools, and improvements at each stage of the service ‘commissioning’ cycle, through a greater focus on users and by managing for performance, will also support more effective and efficient service delivery.

The reforms should build on successes, rather than discarding programs that work.

Without economic development, communities will remain reliant on high levels of government support. Reforms need to consider economic and community development opportunities and how they may influence development, as well as ways in which government can assist and support communities to utilise land holdings to realise their aspirations for development.

If implemented fully, the Commission is confident that the reforms will provide large net benefits (Box 6.3). To achieve these benefits, and to ensure that the best possible returns on investments of public money are achieved, each element of the reform proposal will need to be put in place. A piecemeal approach is possible, but is less likely to succeed, and unlikely to deliver the required long-term gains. For example, changes to the service delivery framework that fail to provide opportunities and incentives for individuals to take responsibility for themselves and their communities will leave discrete communities dependent on welfare and outside service delivery. Similarly, institutional reform that does not include appropriate accountability mechanisms is likely to result in another failed policy experiment.

Although these reforms will take time to achieve, many of the conditions are already in place. The level of governance capacity in communities is much higher today than it has ever been, and we are better informed about what does and does not work in remote Aboriginal and Torres Strait Islander communities.

The reforms are consistent with work already progressing in communities across Australia, including reforms in other states, the Empowered Communities agenda, deliberations in the Torres Strait and reforms being considered by the Productivity Commission's Human Services inquiry.

Getting the implementation of reforms right will be vital—long-term commitment to change from both communities and governments (State and Federal) is required. The reforms will require time, mechanisms to embed the changes and will need support from both sides of politics.

## Box 6.3 Benefits and costs of reform

The reforms outlined in this part of the report are intended to enable greater local autonomy and genuine accountability. For the reforms to be successful, their benefits need to outweigh any additional costs associated with them—that is, they need to be considered against a counterfactual of what might occur in the absence of the reforms.

Although we have not conducted a full cost–benefit analysis of the reforms, the Commission is confident they will provide net benefits.

- While there will be transaction costs as service delivery transition to a new way of doing things—for example, there will need to be support for developing the capacity of communities, service providers and government to engage with reforms—these can be minimised if existing capacity is redeployed to support the reforms.
- The reforms are not about more money—rather, the reforms are about redirecting effort and doing things differently.
- Overall, the current approach does not appear to be delivering value for money, and there is little evidence it is working to improve things over the long term.
- The evidence suggests that significant gains can be made by providing incentives for innovation, enabling 'community voice', fully engaging communities in service delivery and enabling longer-term funding approaches.
- The analysis of expenditures shows that there are large gains to be made—if the gap in disadvantage Indigenous advantage was able to be closed this would realise more than \$500 million in benefits every year.
- Closing the gap on Indigenous unemployment by only one percentage point would increase gross state product (GSP) by more than \$130 million (DATSIP 2016, p. 4).

The reforms are discussed in more detail in the remainder of this part of the report:

- Chapter 7 outlines the reforms to roles and responsibilities.
- Chapter 8 discusses direction for policy reform and opportunities for improvements to the service commissioning cycle.
- Chapter 9 identifies options for economic and community development.
- Chapter 10 presents a monitoring and evaluation framework.
- Chapter 11 discusses implementation and provides a roadmap for reforms.

All chapters consider capability and capacity building.

## 6.6 What would success look like?

For the reforms to be successful, there will need to be broad-based support for the reform direction across government, service providers and communities. In a post-reform world:

- All levels of government will work together to enable service providers and communities to achieve best practice.
  - Government and communities will be genuine partners in developing solutions to challenges
  - Communities will have a much-expanded voice in program design and lead the prioritisation of needs and government's focus is on outcomes rather than how things are delivered
  - The governance and legislative framework will provide sufficient authority to get things done without reliance on a central decision-maker.
  - All stakeholders, including communities, will have access to good quality, timely information that supports decision-making. Service providers will be responsive to community priorities and will be empowered to work with communities to develop innovative, locally appropriate solutions.
  - Compliance requirements will support continuous improvement and reflect the quantum of funding and risk. Mistakes will be seen as opportunities to learn and improve.
  - People living in remote and discrete communities will have access to opportunities for development, including economic opportunities and home ownership, and will be empowered to take them.
  - Reforms will progress and adapt to changing needs and information.
- 

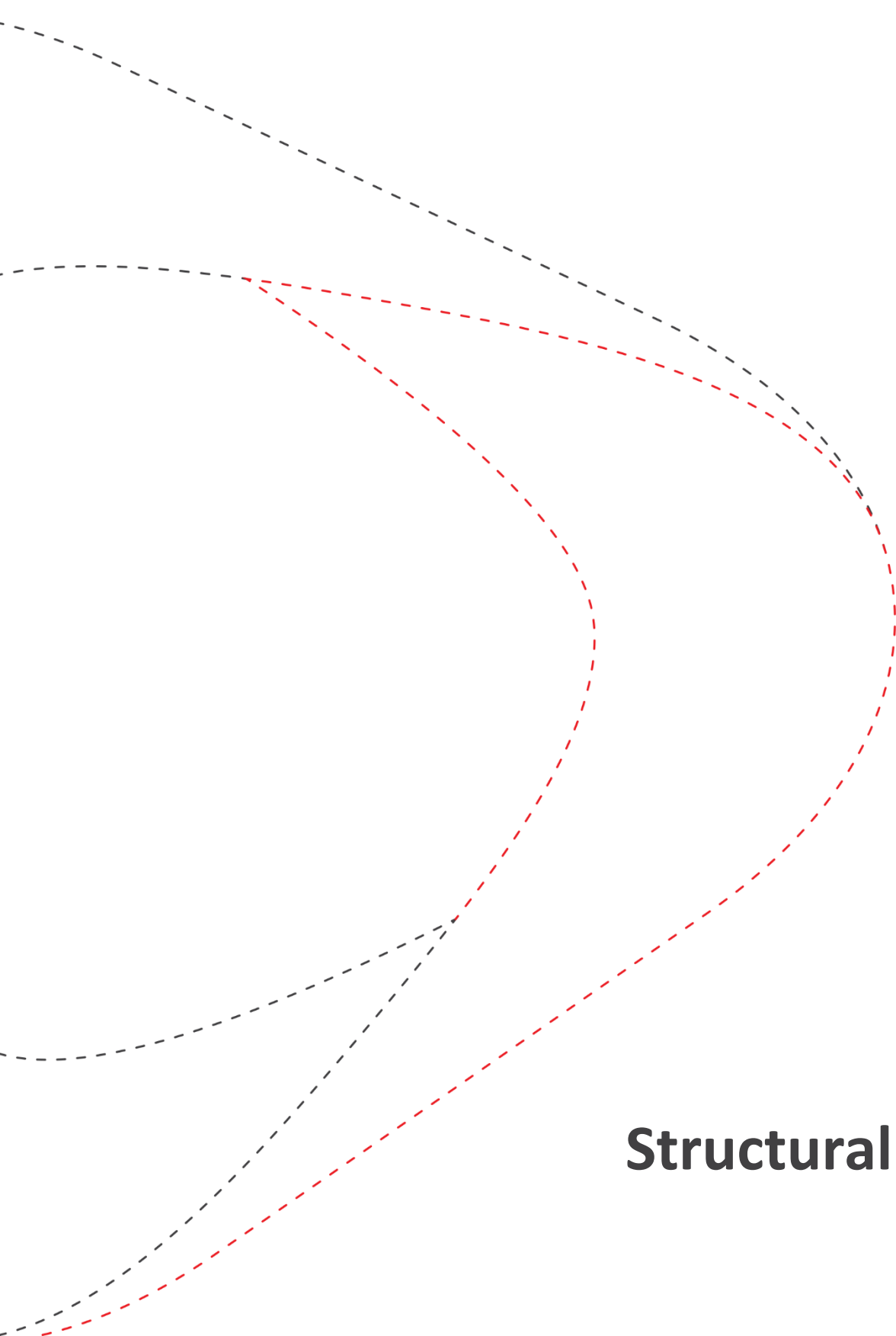
### Recommendation 1

The Queensland Government should commit to a long-term reform of the governance, policy and funding of service delivery to communities. This reform should include:

- structural reform to transfer accountability and decision-making to regions and communities, reform funding and resourcing arrangements, and monitor progress through independent oversight
- service delivery reform to better focus on the needs of individuals through service delivery models that suit the circumstances
- economic reform to enable economic activity, support community development and make communities more sustainable.

Each of these reform elements must be supported by capacity and capability building for government, service providers and communities; and transparent and timely data collection and reporting to support performance and accountability.

---



# 7.0 Structural reform

*This chapter sets out a proposed structural reform for changing roles and responsibilities under the service delivery framework. The reforms will improve the effectiveness of service delivered in remote and discrete communities by enabling local decision-making and ensuring that services are accountable to those most affected by their success or failure.*

## Key points

- The proposed structural reform has three key elements:
  - transfer decision-making and accountability to regions and communities through formal agreement making processes
  - change the way funding and resourcing of communities occurs by shifting to long-term block funding and delivery of mainstream services through negotiated agreements
  - provide greater accountability through independent oversight and transparent reporting of progress and outcomes.
- The proposed reform proposes significant changes to roles and responsibilities:
  - Communities will be responsible for determining priorities and services to be delivered.
  - Authorising bodies will work with, and support communities to coordinate service delivery and funding.
  - An independent body will oversee reforms, monitor agreements and report on progress.
  - Government will pull back from direct commissioning of services to focus on outcomes.
- More money is not the answer—there needs to be changes to the way services are resourced.
  - Untied, pooled and flexible funding with much longer funding cycles is necessary to give communities and service providers sufficient flexibility to get things done.
  - Mainstream, or government-provided, services should be negotiated with communities.
  - Devolution of decision-making powers, using agreements between government and communities, will enable local decision-making and embed genuine accountability for outcomes.
- Reform will take time and needs to progress at a pace that supports community development and allows stakeholders to learn from failures
- There will be some transition costs; however, these can be minimised by redeploying existing resourcing.

## 7.1 The need for structural reforms

The evidence presented to this inquiry indicates that the effectiveness of service delivery can be most improved by giving communities more control over the way services are delivered.

Until Aboriginal and Torres Strait Islander people are actively involved in the decisions that affect their lives, the problems that exist in the remote and discrete communities will never be solved—these communities will remain forever dependent on government funded service delivery, with the burden on taxpayers likely to increase over time.

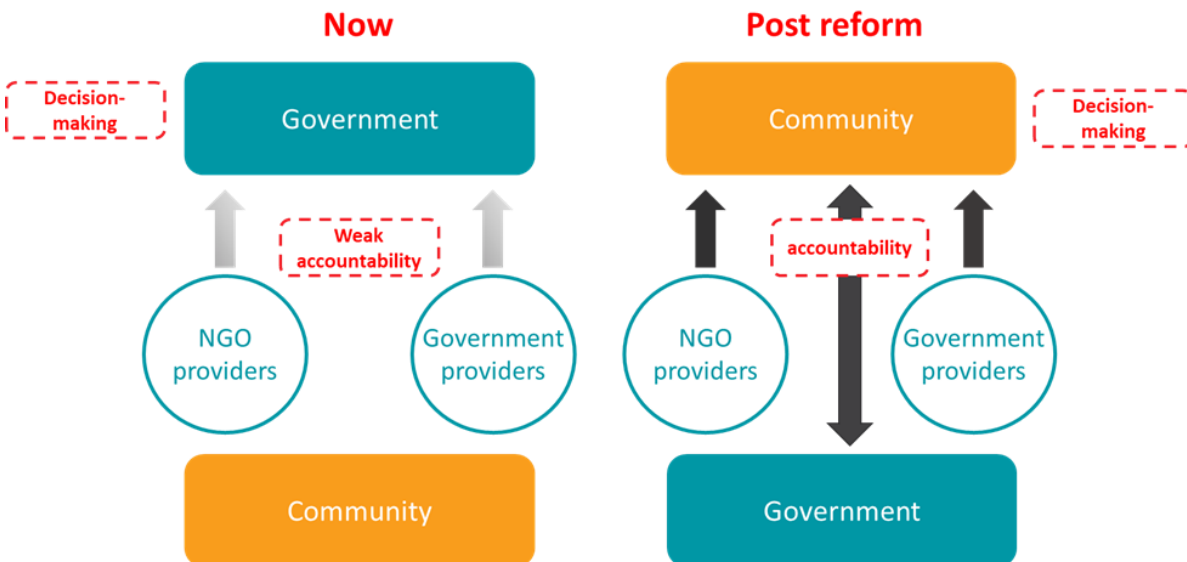
Everyone agrees on the end goal, yet there remains a lack of consensus on how to move forward. In general, communities do not trust government to engage them in solution making, and government do not have confidence that communities are able to manage their own affairs.

To break this impasse, new mechanisms are required to ensure that Aboriginal and Torres Strait Islander people have meaningful opportunities to take control of the design and implementation of services in their communities. This will require that governments gradually pull back from directly commissioning service delivery, and instead focus their efforts on enabling communities to improve outcomes for themselves.

The structural reforms outlined in the chapter provide the mechanism to shift the governance arrangements for service delivery away from government and toward communities (Figure 41). The reforms increase control for Aboriginal and Torres Strait Islander people, but this also entails more responsibility for the effectiveness of services being provided, and outcomes being achieved in their communities.

**Figure 41 Flipping accountability and decision-making**

*The structural reforms transfer decision-making for service levels (within the constraints of the outcomes and funding set by government), service design and delivery to communities. Service providers would be accountable to the communities for day to day activities, while strong accountability mechanisms would be established between government and communities for managing service delivery and delivering outcomes.*



## 7.2 Heeding lessons from the past

A series of reviews have recommended more responsibility for service delivery should be devolved to Indigenous communities (Fitzgerald 2001, Crime and Misconduct Commission 2009, RAIDC 1991, Empowered Communities 2015, Australian Government 2014, NTRC 2017, Standing Committee on Aboriginal and Torres Strait Affairs 2004). However, there is little evidence that communities exert influence over the delivery of services.

Governments have failed to fully commit to policies that devolve authority to communities, pulling back each time things do not go as planned. This failure to ‘let go’ has been primarily responsible for the ineffectiveness of previous reforms.

There have been numerous attempts at engaging communities in developing solutions through community planning and agreements (Box 7.1). However, without sufficient long-term commitment to devolve control over service delivery, these reforms failed to endure.

*I agree that community planning leading to place-based agreements need to be a key part of the way forward. However, I would urge the Commission to consider carefully where previous attempts to proceed on this basis in remote Indigenous communities have failed, and to make sure that we have learned from these efforts and instead pursue planning that is genuinely participatory and community-led. (Dr Michael Limerick sub. DR5, p. 1)*

If reform is to succeed, the key lessons from these previous attempts need to be listened to—the design of any process to provide communities with greater control over service delivery needs to be cognisant of the failings of the past, with mechanisms in place to deal with these issues. In particular, any reform need to ensure that:

- there are sufficient incentives for parties to enter into, and meet their agreed obligations (World Bank 2017)
- reforms are entered to in good faith, and reviewed periodically as lessons are learned (Rio Tinto 2016)
- there are effective dispute-resolution mechanisms in place (Fisher et al, 2011)
- change happens at a pace that suits community processes (Australian Government 2014)
- parties have sufficient authority to make change, and those most affected by any changes are likely to accept the agreed outcomes (Andrews 2017)
- sufficient capacity is established in government and communities to allow effective decision and agreement making (Aboriginal Affairs (NSW) 2012)
- good governance arrangements are established including those that effectively deal with local factionalism (Fisher et al, 2011).

## Box 7.1 Key lesson from the past

There have been numerous accords, plans and agreements negotiated between Indigenous Australians and governments. Indeed, there is an entire database devoted to the examination of treaty and agreement making with indigenous Australians—the Agreements, Treaties and Negotiated Settlements project (University of Melbourne 2017). Four recent negotiated processes are provided below:

- In response to the 2001 Cape York Justice Study, Negotiation Tables involving community leaders and government were established to develop Community Action Plans. The approach had success in some locations, but depended on motivated Government Champions and lacked support for building community governance capacity<sup>18</sup> for leading change (Dr Michael Limerick sub. DR5, p 2).
- Shared Responsibility Agreements (SRAs)—agreements made between communities and governments based around the concept of mutual obligation. Agreements were usually around single aspects of service delivery rather than a comprehensive framework. The most common complaints about the SRAs were that they often involved expensive and protracted negotiations over very small amounts of funding, and that the lack of enforceability or incentives meant that agreements were often not adhered to by either party (McCausland 2006). Sullivan (2005) argues that SRAs were an overly blunt instrument to address the complex issues underpinning social behaviours and failed to meet the need for long term, coordinated programs to address community dysfunction.
- Local Implementation Plans (LIPs)—community-level plans developed with local reference groups as part of the National Partnership Agreement on Remote Service Delivery. Although not formal agreements, the LIPs were to guide service delivery in each community. They achieved some success in improving community governance capacity, but were largely seen as a government-driven process that failed to adequately engage with, or provide sufficient accountability or control to communities—as a result they become little more than a bureaucratic process (Australian Government 2014).
- Community Accords—part of the broader welfare reform process, involving accords between communities and the Queensland Government. The accords provided little change to service delivery as they were never fully supported by government, or embedded in service delivery—this meant that resourcing and the commitment to engage in future agreement making faded as government priorities changed (Conversations with key stakeholders).

<sup>18</sup> Governance capacity in Indigenous communities appears to have increased substantially over the last decade (QAO 2016, discussions with key stakeholders)

### 7.3 The structural reforms

The structural reform proposal has three reform pillars:

- transfer decision-making and accountability towards the regions and communities
- change the way funding and resourcing of communities occurs, by shifting to long-term block funding and delivery of mainstream services through negotiated agreements
- increase accountability through independent oversight and reporting on progress and outcomes.

Each pillar is needed to shift decision making and accountability to communities. All three will need to be in place to give the reforms an opportunity to succeed—without them, communities will not be able to make effective decisions, accountability will be lacking, and the reforms will become yet another failed policy experiment.

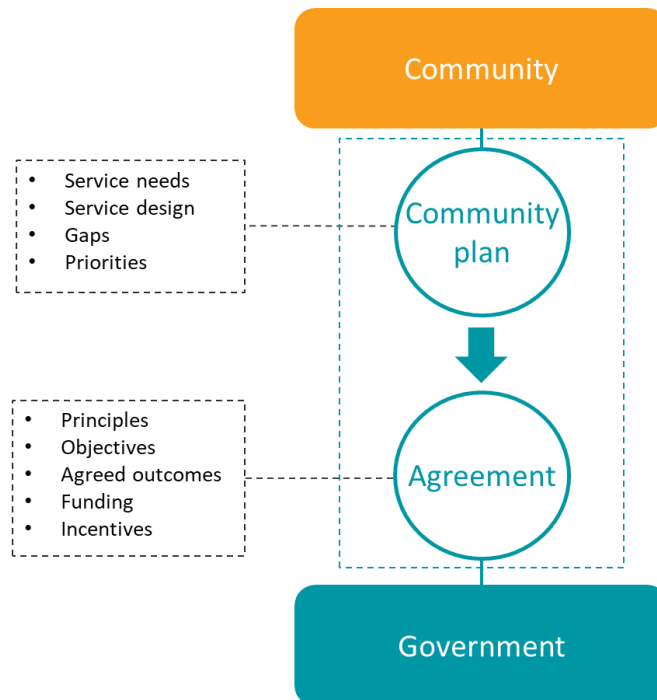
#### Pillar 1 - Transfer decision-making and accountability

To make service providers more responsive to the needs of people living in remote and discrete communities, decision-making powers for the allocation of funding, the level of service delivery and how services are delivered, need to reside closer to those affected by service delivery. At the same time, the accountability mechanisms between service providers and communities need to be strengthened.

The primary tool for achieving this transfer of decision-making and accountability should be through formal agreements between Aboriginal and Torres Strait Islander communities and government (Figure 42).

**Figure 42 Agreements to support a transfer of decision-making and accountability**

*Agreements underpin the objectives and outcomes desired by government, with communities enabled to determine the best ways these will be delivered*



Note: ‘Government’ in this diagram refers to the Queensland and Australian Governments.

These agreements should allow communities to play a much larger role in commissioning service delivery. Government should work with communities to determine the objectives and outcomes they would like to achieve through the resources provided to remote and discrete communities. Once these objectives and outcomes have been agreed, the ways in which they are to be achieved should be determined by those closest to the problem.

The scope of agreements would include all services delivered in communities, including mainstream<sup>19</sup> and indigenous-specific services.

The Commission envisages that agreement-making will be underpinned by the establishment of community-level plans. These plans should identify community priorities aspirations, service gaps and community initiatives for improving service delivery, and would form the basis of formal agreements with government (Box 7.2).

## Box 7.2 Community plans

Under the recommended reforms, community-level planning would underpin the delivery of services in remote and discrete communities. These plans should be developed and owned by communities.

It is likely that the community plans will evolve over time; however, they might include the following:

- service delivery priorities
- identification of service gaps
- innovative ideas for addressing underlying issues (such as mental health or anti-social behaviours)
- timeframes and targets for the achievement of other community level outcomes
- methods for reporting on progress.

It would make sense for the community plans to be renewed periodically, say every three years. This would allow for learning by doing, with community plans adapted as new information becomes available and new ideas are developed.

Agreements provide the means through which community plans are enabled by providing a formal means for governments to commit to new ways of doing things. The agreements should specify:

- principles—these might include the way in which the agreement will operate and how the parties will interact
- roles—what role each party will play in future interactions and what decision-making powers and authority each will have
- objectives—the purpose of the agreement
- how mainstream services will be delivered into communities, including those delivered by government providers
- resourcing—what funding will be made available to support the agreement

<sup>19</sup> Mainstream services are those services available to both Indigenous and non-Indigenous residents. They include services such as schools, policing and health care.

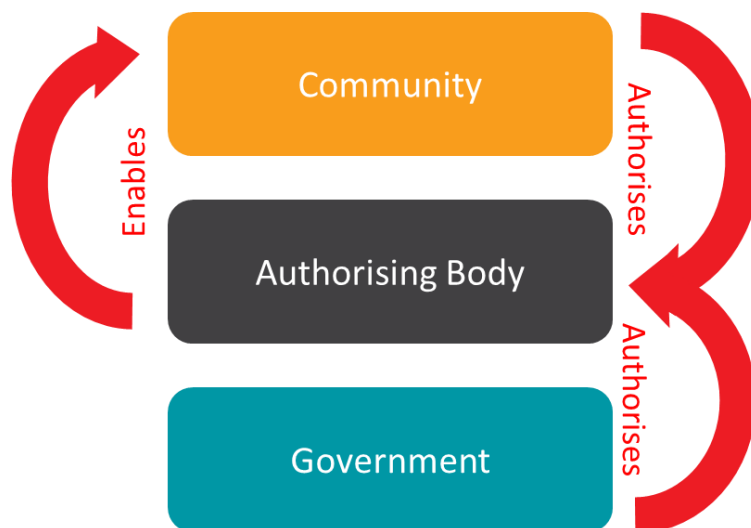
- outcomes—these should specify the agreed changes that are to be achieved under the agreement, without specifying how they will be achieved
- timelines—when the various stages of the agreement will be implemented and when outcomes are expected to be achieved
- incentives—these might include payments for the achievement of outcomes (such incentive payments to communities on the achievement of key milestones or outcomes) or agreements to move to a subsequent stage of reform after certain milestones are reached
- obligations—what penalties will apply when either party fails to meet their obligations under the agreement
- duration of the agreement and methods for amending the agreement.

To facilitate the agreement making process, supporting institutions will need to be in place—formal, legal entities are needed to enter into agreements with government and to handle any resourcing associated with those agreements.

The Commission recommends that community-owned, authorising bodies be established as the legal entities to support decision making and accountability—their primary functions would be to support and empower community decision making and ensure that service delivery is accountable to communities (Figure 43). Authorising bodies may represent one or more communities, depending on circumstances and needs.

**Figure 43 Authorising bodies**

*The authorising body should be a community-owned body. The key function of the body is to provide the means through which community decisions are enacted. The body’s authority is derived through community participation and ownership, enacted through its representative structure. Government provides authority by delegating decision-making powers to the body and establishing strong accountability measures through the agreements with communities.*



The nature of the authorising body required to support the transfer of decision making to communities may not be the same for all communities, and may change over time.

Determining the best operational model for the authoring bodies will largely depend on the activities that are required to devolve decision-making to communities (Table 19), where stakeholders believe these functions best sit and the capacity of individual communities to manage these functions.

**Table 19 Functions required to support community decision making and accountability**

Function	Considerations
Determining community priorities	Needs to be inclusive of all community perspectives, including the perspectives of women and young people. Democratic processes are likely to be important, and governance structures need to be established.
Negotiating agreements	Negotiations need to reflect community priorities and take account of all community perspective. Negotiating entities need to have sufficient capacity to negotiate with government.
Commissioning services	The ability to commission services and manage tenders will be a key aspect of the reform model. Opportunities for economies of scale or scope available through regional cooperation need be identified and taken advantage of.
Providing financial governance	An important aspect of the reform proposal is for communities to have greater access to block funding. This will require the institutions supporting reforms to have strong financial governance. Strong financial governance will also allow communities to be more financially innovative, such as by exploring alternative options for financing social housing.
Supporting innovation	Addressing the underlying issues of community disadvantage, creating economic opportunities and improving outcomes will require innovative, creative solutions. Innovation needs to be encouraged by bringing together the unique place-based perspectives of the remote and discrete communities and evidence and ideas from the outside world—innovation is supported by openness to new ideas and ways of doing things.
Monitoring progress	Adopting an approach that allows adaptive learning will be important for improving outcomes. This means the entities supporting community decision making will need to be able to access timely information and make sense of it. It also means that assessments of progress need to be free from bias, including from bias introduced by local factionalism or favouritism.
Reporting and compliance	To maintain accountability, Government will require regular reporting on governance (such as financial and other accountability) and on community and regional outcomes.

More detail on the establishment of the authorising bodies is provided later in this chapter. Some guidance on operational options is also provided.

## Pillar 2 - Changing funding and resourcing arrangements

Key to the structural reform proposal is a change to the way communities are resourced. While some additional resources may be required to assist with transitioning, the proposal is not contingent on significant additional funding—funding for the reforms can, primarily, be sourced from doing things differently, rather than simply overlaying a new system on the old.

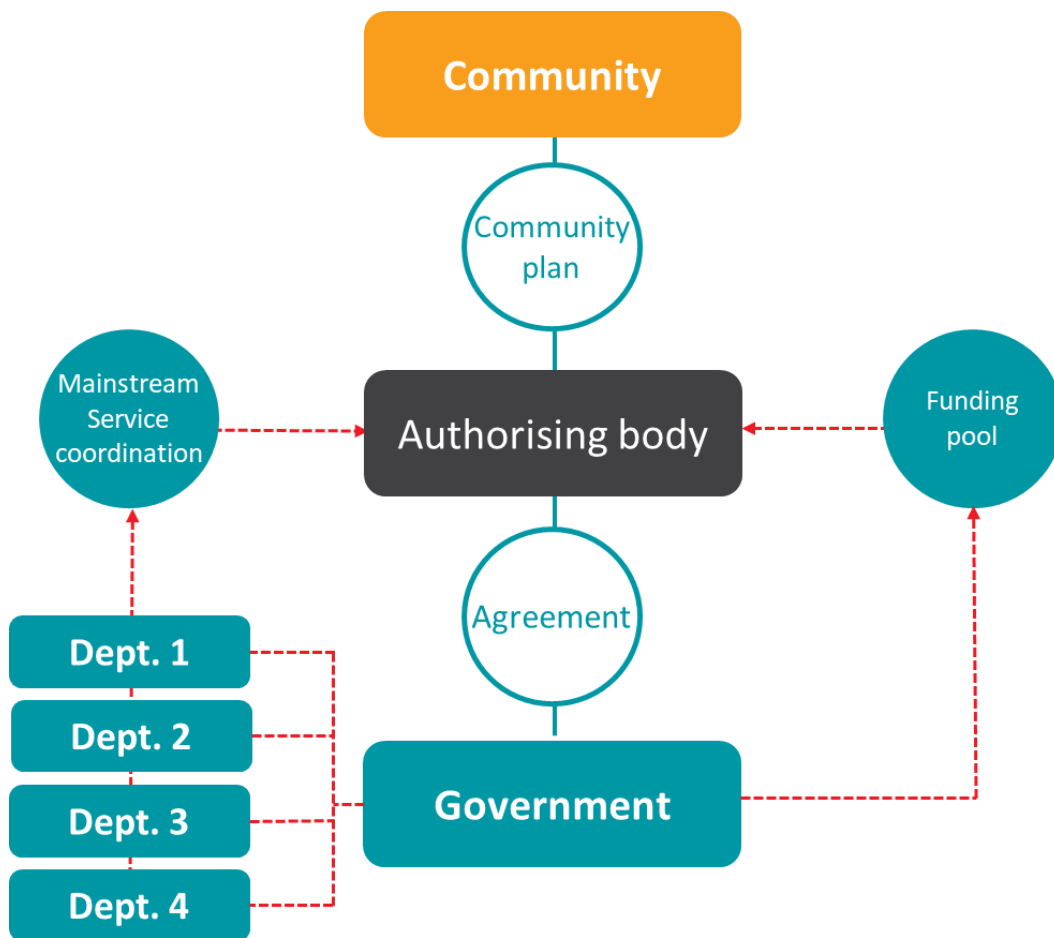
Achieving better returns on the large investment made by government requires a funding model that supports service delivery that is adaptive and responsive to the needs of individuals, and supports decision-making by communities.

The Commission proposes that this be achieved by ensuring that communities have a greater say in how resources are used. This means that government funding and resourcing of service delivery should support community decision-making.

Figure 44 summarises how the funding and resourcing arrangements would work. The Government determines the overall level of resourcing it is prepared to make available to a community. The way funds are used is the responsibility of the community, with decisions sanctioned through their authorising body in line with community plans. Mainstream services are coordinated through the agreements as discussed below.

**Figure 44 Funding and resourcing arrangements**

*Funding and resourcing of services needs to support decision-making by communities and ensure that service delivery is accountable to community.*



Note: 'Government' in this diagram refers to the Queensland and Australian Governments.

The funding reforms have three key components:

- **First**, a baseline of expenditure should be established for each community—this might include an average of expenditures over a suitable period (say five years), but should include all expenditures, including head office, policy and coordination function (see Chapter 3 for some guidance on how these expenditures should be estimated). This baseline should form the initial resourcing level for each community and should form the base for future negotiations around funding.
- **Second**, existing government grants should be rolled into a pooled fund to be controlled by communities through their authorising body.

- **Third**, mechanisms need to be established to allow for coordination of mainstream services through a post-reform structure.

The key mechanism for the coordination of mainstream services and the distribution of grant monies should be community plans negotiated with communities. These plans would outline each community's priorities and the progress that each community agrees to achieve over the course of a funding agreement. Where it is efficient to do so, community planning might be consolidated into region-level plans outlining the funding and provision of service levels into each community over the life of the agreement.

To facilitate the coordination of mainstream services, relevant government officers will need to have sufficiently delegated powers to enable them to negotiate with communities and to ensure agreements are enacted.

Any conditions, including reporting requirements for grant funding would be covered in the agreements. Mainstream services should report to communities as negotiated in the agreements.

Funding agreements between the Queensland Government and communities should be long-term in nature and should be contingent on the successful negotiation of community plans. This would reduce uncertainty and promote long term investment in skills and infrastructure.

The conditions attached to any funding to communities and authorising bodies should be reflected in the agreements with government. All parties should consider elements of the policy and service delivery reforms (Chapter 8) that might provide incentives or opportunities to improve outcomes. For example, the use of payment for outcomes, social reinvestments or the use of annuities may be applicable to funding under a post-reform model.

### Pillar 3 - Improving accountability through independent oversight

The agreements negotiated between government and communities would play a key role in establishing accountability. They should set expectations about the outcomes to be achieved, and who is responsible for achieving them, the level of resourcing to be provided and the way services will be delivered.

The agreements and community plans would also set out arrangements for monitoring and evaluation.

Communities should play a much more active role in the day to day monitoring and evaluation of service delivery. Government's key focus should be on the outcomes it expects to be achieved in return for funding. The outcomes, and how they will be monitored and reported on, should be specified in the agreements. In return, government needs to commit to providing communities with timely, community-level community and/or regional agency data (such as school attendance data).

Agreements are only likely to work where parties are confident that both sides will uphold their side of the bargain. This requires a consistency of approach to establish trust, and sufficient incentives for all parties to maintain agreed positions. As noted by the World Bank.

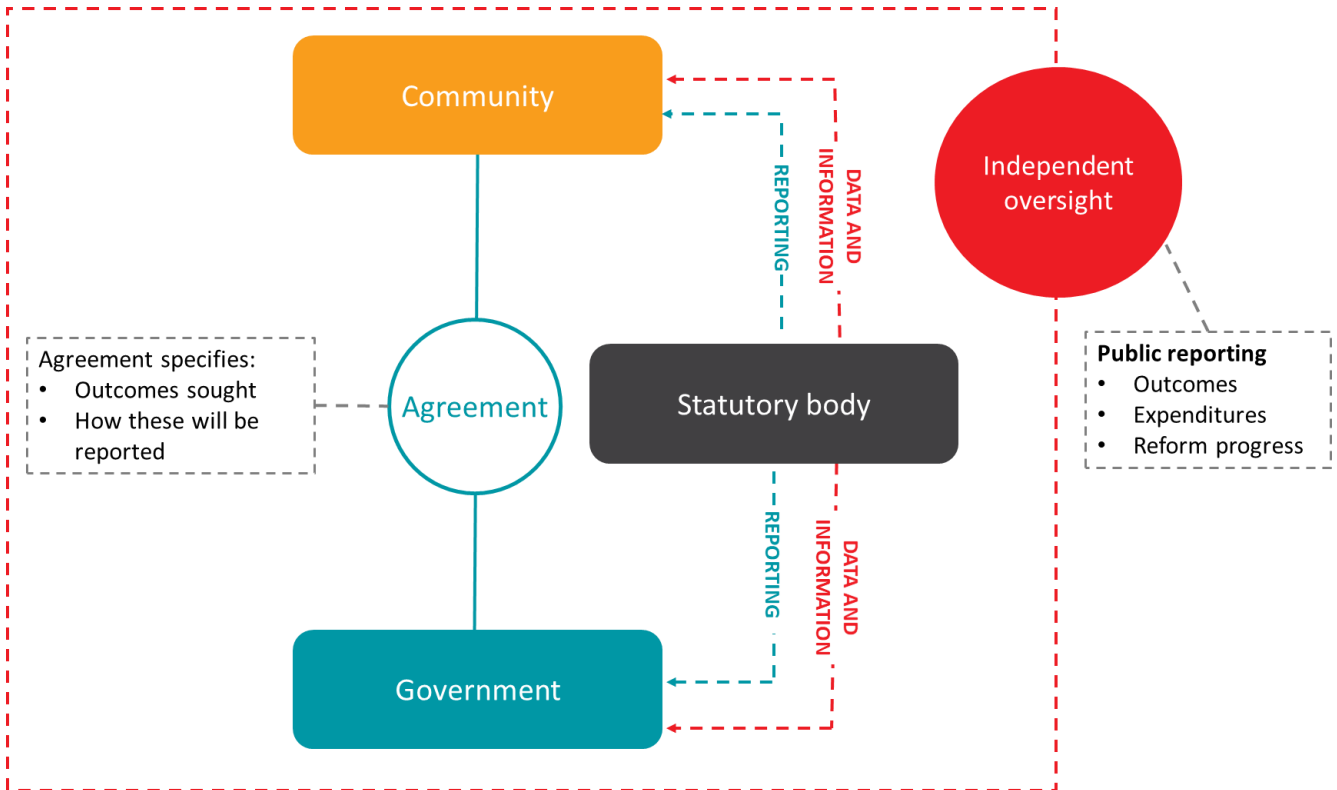
*The incentives that actors have to comply with agreements are fundamental to enabling commitment in the policy arena. Credible commitment requires consistency in the face of changing circumstances. Incentives for actors to commit to agreements are thus crucial for effective policy design and implementation (World Bank 2017 p. 13)*

While government has obvious mechanisms to hold communities accountable—such as incentive payments (or payment for outcomes) or through the threat of resuming control over service delivery—it is much harder for communities to hold governments to account if they do not uphold their end of the agreement.

Independent oversight of the agreements should be a key feature of any monitoring and evaluation framework (Figure 45). It can reassure communities that agreements will be honoured, and that reform progress will continue to track as expected. For example, where agreements include incentive payments on the achievement of milestones or outcomes, an independent assessment may be required to ensure that these milestones have been met, or that key reforms have been delivered.

This will strengthen parties' confidence in the agreements, and ensure accountability for the use of public funds.

Figure 45 Independent oversight



Note: 'Government' in this diagram refers to the Queensland and Australian Governments.

More detail on this evaluation framework and the importance and role of independent oversight body is provided in chapter 10. In summary, this body should provide oversight of matters including:

- the progress of structural reforms
- the outcomes being achieved in communities
- the provision of data and information to enable effective and innovative service delivery.

The independent body would collate and verify data about community-level outputs and outcomes. These data would largely be collected by the authorising bodies, although some of this data would also come from mainstream service providers.

The independent body will also need to collate and report expenditure information which, as discussed in Chapter 3, is currently unavailable to communities. This information will be important for monitoring the efficiency of service delivery. For example, the Cape York Institute proposes that agreements should include 'productivity dividends' where:

*[u]nder EC [Empowered Communities] it is also suggested that more funding is not what is required, rather Indigenous people at a local level must have a far greater say in setting priorities, resource allocation and holding services to account. Under EC in this way a productivity dividend can be produced by reducing inefficient, ineffective and duplicative spending. The productivity dividend can then be redirected into place-based development. (sub. 26, p. 20)*

Independent oversight and monitoring of expenditures and efficiencies would enable such arrangements to be included in agreements between government and communities. It would also help address stakeholder concerns about cost-shifting:

*The LGAQ is concerned to ensure that structural reform does not detract from the roles and responsibilities of the various tiers of government. Any additional workloads for councils must be funded to avoid the risk of cost shifting onto an already constrained tier of government.*

*The LGAQ recommends that a base line level of expenditure is established at the beginning of this structural reform process to act as a benchmark to avoid any cost shifting to communities during the reform process (LGAQ sub. DR12, p. 7)*

*Transparency of data – need to establish baseline of investment to ensure that there is no cost shifting and that performance and accountability data is shared and seen by all. (QCOSS sub. DR011, p. 3)*

## 7.4 How the structural reforms address performance

Table 20 summarises how the proposed structural reforms address the issues raised in Part A of this report. It does not provide a complete assessment how reforms will address or improve every aspect of service delivery in communities—rather, it is intended to give readers a feel for the proposed reforms and how they will address underlying problems in the service delivery framework.

**Table 20 Links between proposed structural reforms and underlying problems**

Underlying problem	How the structural reform proposal addresses the problem
Fragmented and inflexible funding	Greater use of block funding will reduce service fragmentation by replacing many of the contracts written by multiple agencies. If the model evolves to include Australian Government involvement, then fragmentation will be further reduced. The agreement between the Queensland Government and the communities should be a negotiated outcomes-based funding model, with significant built-in flexibility regarding in how those outcomes are to be achieved.
Duplication and overlap	A place-based planning framework should better coordinate the delivery of services across governments. By pooling funding and providing it under a block arrangement, a single body can dispense the funding according to negotiated community plans. Problems with duplication and overlap become clearer at the stage of decision-making.
Whole-of-government coordination	The reform proposal reduces the structural impediments to whole-of-government coordination by moving much of the coordination task to a body sitting outside government. The place-based and negotiated community plans provide an improved coordination mechanism, although it would not provide authority over Queensland departments.
Short-term contracting and compliance burdens	The agreement between the Queensland Government and communities should be based around long-term funding models with a negotiated performance framework. Contracts with service providers, managed through authorising bodies should be more responsive to problems. As the community's own funding should be based on a long-term funding framework, this enables communities to vary contract lengths to achieve outcomes.

Underlying problem	How the structural reform proposal addresses the problem
Dispersed and weak lines of accountability	Under the proposed model, it should be clearer to community members who is responsible for what. Input to community and regional planning will give communities greater voice. From the Queensland Government's perspective, the agreement between the government and the authorising bodies will establish responsibilities and set out a clear accountability framework. Independent oversight will help to keep stakeholders informed and reforms on track.
Government as fixer	The agreements with communities should establish respective responsibilities, including the ongoing role of the Queensland Government in respect of the scope of activities transferred to each community's authorising body. As the process of priorities is to be negotiated with communities, this facilitates the government stepping back to an enabling role. While the authorising bodies should be accountable for agreed outcomes, the government should similarly be accountable to the authorising bodies for its agreed responsibilities.
Incentives problems	Better aligning accountability and decision-making will help to correct the perverse incentives in the current service delivery framework. It will shift service delivery from a supply-driven, siloed approach to one that considers and adapts to the needs of people receiving the services.  Independent oversight will ensure there is objective monitoring of outcomes, providing stakeholders with incentives to achieve outcomes and value for money.
Lack of Indigenous participation	The reform proposal results in Indigenous people's perspectives being embedded into policy design and delivery. There is an upward accountability mechanism to the State through agreements, but the authorising body would have its own commissioning process for agreed responsibilities.
Dispersed knowledge and unintended consequences	Reforms enable those closest to the ground to inform, address and avoid unintended consequences by ensuring community voice in decision-making. Community stakeholders (including on-the-ground service providers), who witness first-hand the problems when services are not delivered in a way that provides value for money to the community or to the Queensland Government on behalf of taxpayers, are involved in developing solutions and making decisions.
A focus on symptoms rather than underlying causes	The setup of the independent authorising bodies, with a negotiated and transparent agreement with the Queensland Government, will help reduce political and bureaucratic pressures that diverts focus from underlying problems to symptoms of those problems. The reforms provide increased opportunities for the innovative, community-led approaches required to address the underlying causes of community disadvantage and dysfunction. They will also ensure that communities whose interests are served by addressing causal issues are actively involved in keeping things on track.
Incentives to control costs and adopt best practice	Agreements with rewards for outcomes can be used to improve incentives for ongoing improvements in service delivery. By involving communities, who have a vested interest in addressing the underlying causes of disadvantage, incentives to control service delivery costs over the long term are aligned. Longer funding cycles, combined with independent oversight, will help address concerns about the ability of service providers to engage in adaptive practice.

## 7.5 Establishing the authorising bodies

The establishment of the authorising bodies must be done in a way that allows for community participation and ownership, but must also balance the need to establish accountability and provide government with sufficient comfort that they can allow for an orderly transition to community control. A range of options could be used to establish and regulate the activities of authorising bodies, each with varying degrees of flexibility and community control (Table 21).

**Table 21 Options for establishing and regulating Authorising bodies**

Option	Establishment	Accountability	Flexibility	Community control
Statutory bodies	Defined in legislation.	Financial controls are established under the <i>Statutory Body Financial Arrangements Act 1982</i> , and through their enabling legislation. Statutory bodies must prepare annual financial statements and table these in parliament each year.	The functions, purposes and governing arrangements for statutory bodies are defined under their enabling legislation. Once established these are difficult to change.	Communities may see a statutory body as an arm of government.  Community ownership is possible by establishing a governing body with community representation (either by election or by appointment). Restrictions on the persons eligible to serve on the board may apply.
Community owned Indigenous Corporations	Defined in company constitution.	Accountability established through agreements with the corporations.  Financial accountability is governed under the <i>Corporations (Aboriginal and Torres Strait Islander) Act 2006</i> , with support and regulation through the Office of the Registrar of Indigenous Corporations.	The functions and purposes of the authorising bodies would be defined in their constitution. This can be changed over time.	High degree of community control.  Community representation on a board—method of board appointment is established in constitution and may reflect traditional decision-making structures.
Community owned Indigenous Corporations with an accreditation body	Community owned bodies defined in company constitution.  Accreditation body defined in legislation (can be assigned to an existing govt. entity).	As above, but legislation provides clear eligibility rules, how accreditation standards are maintained, and how compliance issues and disputes will be handled.	Provides flexibility in day to day operations, but clear guidance on expectations about standards, community representation, and other issues considered important.	Would allow communities to establish and own their authorising bodies, but with legislated requirements to maintain accreditation.  Option for community representation on the board of the accreditation body.

Government and communities will need to negotiate the preferred model for establishing the authorising bodies that will best balance the core characteristics (such as community ownership) and achieve the transfer of decision-making and accountability. For example, an accreditation body provides a formal means through which government can establish the conditions on which they are prepared to recognise and negotiate with authorising bodies, while, at the same time, allowing communities to establish their authorising bodies at a pace that suits them. Some precedent for this approach has been established in the way the State regulates independent schools through the *Education (Accreditation of Non-State Schools) Act 2017*.

Regardless of how they are established, certain criteria must be satisfied before authorising bodies are recognised as having the authority to act on behalf of their respective communities.

Any decision-making body must be **representative** and have the **authority to represent the constituents** on whose behalf it is making decisions. This might mean that authorising bodies will need to have democratic mechanisms (such as elected board members) to ensure they are accountable to communities.

In the context of the remote and discrete Aboriginal and Torres Strait Islander communities, the representative structures might also need to consider the unique cultural contexts of each place as well as mechanisms to ensure all voices are adequately represented.

Another important consideration is the **ability to manage conflicts of interest**. Conflicts of interest skew decision-making by introducing additional considerations or loyalties that may lead to decision-making that is not in the best interests of communities. These conflicts of interest may be subtle or overt. At the extreme, conflicts of interest may lead to corruption, nepotism and favouritism, but conflicts may also result reduce efficiency where they influence decision makers by limiting the choices available to them.

Conflicts can be minimised by separating the potential source of conflict from the decision-making process. For example, it may be sensible to specify that the authorising bodies should not be involved in service delivery, which would conflict with their role in commissioning services.

Authorising bodies will need to be able to **support the most efficient use of resources**. Any proposed body must demonstrate that it can commission services and manage tenders. Consideration should be given to how authorising bodies could achieve efficiencies of scale and scope through regional or cooperative approaches.

Similarly, any proposed body needs to be **able to work with Australian, Queensland and local governments**. Improving the coordination of funding and service delivery across all levels of government is key to the success of this reform proposal.

Finally, proposed bodies would need to be able to **identify and promote innovative service delivery models**. The intent of the reforms is to allow greater flexibility in how services are delivered. This means that any entity involved in decision making about services must have the capacity to identify, assess and implement new ways of doing things. It also needs to harness the abilities of regional leaders and impartial ‘outsiders’.

Structural reform is not about creating more bureaucracy. Indeed, it should reduce bureaucracy, so that scarce government and community resources can be directed to higher value uses. The Torres Strait Island Regional Council’s (TSIRC) submission explains how this might happen:

*Currently DATSIP have a formal role within government to lead engagement into the TSIRC region. However, we can capably engage direct with departments on project-delivery in our region. The current arrangement produces yet another layer of bureaucracy and time lag... It would be best to simply engage directly and fund us adequately to support this work. (sub. 12, p. 12)*

Some functions of the statutory bodies are already being performed, either by government or in communities. The key to avoiding the creation of unnecessary bureaucracy is to ensure that these functions are not duplicated. This will mean that some functions currently being performed by government or community organisations will need to move into community control.

Councils (including those in the discrete communities) will continue to have an important role to play, both as a provider of services and in the expression of community voice (Box 7.3).

## Box 7.3 Role of councils

Many functions described in the previous section could be performed by the Local Government (Councils) operating in the remote and discrete communities. Indeed, they are established statutory bodies, with established strong financial governance arrangements and have democratic representative structures.

Local councils, particularly those in the discrete communities, currently represent their communities in a range of forums and across a wide range of issues, and are actively involved in service provision.

However, there are barriers to councils assuming the role of an authorising body:

- Councils are service providers, engaged in a wide range of ‘doing’ activities, such as the provision of municipal and childcare services, and engage in a wide range of commercial activities. This creates potential conflicts of interest with the wider service commissioning role to be performed by authorising bodies.
- Because of a lack of alternatives, many councils in remote and discrete communities have had to take on a much wider range of responsibilities than are performed by councils in other regions. This stretches the capacity of these councils and impedes the exercise of their core functions. Taking on more responsibilities is only likely to worsen the situation.
- For the Indigenous councils, their role as trustees of township land may overly concentrate power in a single entity and create another potential conflict of interest. As noted by the Cape York Institute, this could create power imbalances that would only be worsened if the councils took on an even wider role in communities:

*Council as trustees are effectively placed as the gatekeeper of the creation of any other rights and interests in land in the town, such as the creation of a lease needed for a business...It also inevitably leads to allegations from those outside the ‘elite’ powerful circle of unfairness, favouritism and nepotism. (sub. DR015, p. 9)*

- It has been recognised that the legislated governance arrangement for the councils do not reflect or represent all Indigenous interests (Limerick 2001, Legislation Review Committee 1991). As noted in the Cape York Justice Study (Fitzgerald 2001):

*There is an inherent disjuncture between family groups and governance structures—governance structures were laid over innately family-based social forms. ...For example, some communities have up to 20 different clan or language groups, yet the legislation is premised on a system of open elections by the community at large (typically for three, five or seven councillors)...The incompatibility of Indigenous social structures with the imposed model for community council adds to divisiveness and factionalism in ways that can, on one hand, hamper decisions making, and on the other, produce a select group of decision makers who may lack broad community support (p. 36).*

Given the broad remit of the proposed reforms, deeper and more culturally appropriate mechanisms of community engagement are required than can be captured solely by the democratic processes set up for local government.

## 7.6 Establishing capacity

The structural reforms will be demanding for communities and for government. Many stakeholders noted this point; for example:

*the Queensland Government will need a strong transition plan to ensure skills, knowledge and experience are effectively transferred when decision-making and accountability is placed with communities. We also note communities will need continued and sustained support from government during and post transition processes. (Churches of Christ sub. DR8, p. 2)*

For the reforms to succeed, government and community need the capacity to engage with the reforms. Capacity means more than just the ability or resources to get things done—it also means that actors have the authority to engage with reforms and that stakeholders accept the decision they make (Box 7.4).

### Box 7.4 What is capacity?

Capacity is defined as the ability of individuals or organisations to perform specific functions, solve problems and set and achieve goals; that is, to get things done.

The community development literature offers some useful ideas on capacity building. Andrews et al. (2017) note that capacity is only enabled where there is:

- Authority—is there sufficient authority to make decisions or implement change? This includes political, legal, organisational and personal authority.
- Acceptance—do those who will be affected accept the decisions being made and the implications they might entail?
- Ability—is there sufficient ability to make decisions? This might include sufficient time, resources, skills and knowledge to support change.

The World Bank (2017) identifies three core activities that can enhance authority and acceptance:

- *Enable credible commitment*—Stakeholders need to be able to rely on the credibility of policies over time, so they can calibrate their behaviour accordingly. To embed this commitment, incentives are needed to ensure that all parties stand to lose if any party reneges on agreed arrangements. Evidence suggests that when the commitment to deals is not seen as credible, agreements fall by the wayside and contending parties walk away from the bargaining table.
- *Induce coordination*—Individual stakeholders need to believe that others will also act in way consistent with desired outcomes. Investment and innovation are induced when individuals believe that others will also invest. Rules may be required to ensure individuals behave in certain ways.
- *Enhance cooperation*—Policy effectiveness requires cooperation of citizens, including those most affected by policies. This suggests that excluding those individuals from policy design is likely to weaken compliance and cause fragmentation. Perceptions about fairness are important, for example, if communities or individuals perceive that others are benefiting more than they are, they are less likely to cooperate with the systems they perceive as generating this unfairness. Similarly, individuals will only cooperate when they perceive there are some benefits for them from doing so (including the avoidance of penalties).

## Local capacity needs to be established

Communities need the capacity to develop community plans, negotiate with government, make decisions about service delivery and monitor progress. In some communities, much of this capacity exists, but in others this capacity will need to be developed over time.

Capacity in many communities has been undermined by governments' failure to actively engage local residents and Indigenous organisations in service delivery. As noted by Limerick:

*...community governance capacity has been systematically undermined over the past two decades as the locus of decision-making has progressively become more removed from the community level and from community-controlled organisations have been shut out of tendering processes for program and service delivery. (sub. DR5, p. 3)*

Once implemented, the structural reforms will help to build sustainable ongoing roles for the residents of remote and discrete communities. These ongoing roles will help to create incentives for local people to gain the skills and expertise to engage more actively in the delivery of services in their communities.

There will, however, be a transition period, during which communities lack the skills to fully engage with the structural reforms. Indeed, because of their small size, it is unlikely that communities will have the full range of skills to manage, negotiate and monitor the delivery of services.

The authorising bodies will have a key role to play in building and providing capacity. As noted in Fisher et al. (2011), this capacity will need to come from both 'insiders' and 'outsiders'.

Local decision-making needs to be enacted by ensuring that the residents of communities hold the ultimate authority and accountability—authorising bodies will need to ensure that local people are deeply involved in decision making and have the skills and expertise to do this effectively.

However, skilled outsiders will also be needed. They will play a key role in bridging gaps in skills and expertise—and in passing these skills and expertise on to locals. Skilled outsiders are also likely to be important in ensuring that a wider diversity of perspectives and values can be brought to bear on the operation of the authorising authorities.

The operation of the authorising body, however, needs to be controlled by communities. Authorising bodies will need the freedom to be able to recruit from outside their communities, but the hiring choices of the organisation need to be controlled by residents. Skilled outsiders should not be appointed by government—they need to be trusted advisors for communities, not seen as a mechanism for government to exert control.

Access to timely and meaningful information is also needed to enable decision-making. Communities will need access to detailed local-level data if they are to be empowered to play an active role in directing service delivery. For government to have confidence in community decision-making, they too will require robust information on the outcomes occurring in communities.

The Government Statisticians Office should play a key role in data collation and dissemination, with oversight by an independent body. More detail on monitoring and evaluation, including data management, is provided in Chapter 10.

## Government capacity needs to be developed

The reform proposal is reliant on government and communities having the capacity and capability to engage meaningfully with each other.

Limerick notes that a lack of government capacity has also been a crucial factor in holding back previous reform attempts:

*There is a critical need for government to improve its own capability to work in different ways in Indigenous communities – partnering rather than dictating, facilitating and enabling community-driven approaches. This has remained a significant skill gap for government staff and has been a recurring theme in evaluations of why government initiatives for place-based and community-driven development have not succeeded in the past. (sub. no. 5, p. 4)*

Building government capacity needs to be more than just making a commitment to cultural awareness training (although this may also be important).

It also involves ensuring that those on the ground working with communities have the authority to negotiate and make decisions on behalf of government. An evaluation of the NSW Local Decision-Making reforms found that the key factor that initially held back change was government's lack of capacity to engage with communities (Aboriginal Affairs (NSW) 2012). A large contributing factor was that government officers did not have sufficient delegated powers to effectively engage with stakeholders.

Government also needs to rebuild trust with communities. Communities told us that they had little faith in government's stated commitments to involve them in the design and delivery of services.

*[We are] not confident that government will implement the recommendations as the QPC will suggest due to the track record on past reports. (Yarrabah Leaders Forum, sub DR14, p. 4)*

Partnerships and agreements in remote Indigenous communities are built on trust (Fitzgerald 2001). Government needs to establish this by being reliable—following up over time on commitments—and demonstrating an open willingness to listen and share information. Trust between Indigenous residents and government is eroded when there is a constant stream of fly-in, fly-out departmental officials making brief visits to communities.

Government needs to find ways of facilitating mutual respect and trust, including by:

- taking the time to understand community concerns
- allowing community decision making processes time to occur
- allowing communities to make and learn from mistakes
- maintaining a constancy of staff who can represent government on cross-agency interests
- providing these staff with the power to discuss and negotiate service delivery with communities.

Capacity can be built in a number of ways, including through informal approaches such as mentoring, or through more formal training and development (Box 7.5).

## Box 7.5 Some capacity building options

### Linkage programs

Linkage programs between Indigenous organisations and the private and public sectors can assist with capacity building through the two-way transfer of knowledge and skills.

A successful example is Jawun, a small, not-for-profit organisation which leverages the capabilities of corporate and philanthropic Australia to support programs of change in Indigenous communities. Partners release individuals for secondment to Jawun to work with Indigenous people and organisations on a volunteer (pro bono) basis. Apart from the provision of skills, the exposure of Indigenous peoples to private sector ideas supports initiatives to redirect Indigenous affairs from a focus on social services delivery towards development (Jawun, 2015).

### Mentoring and support

Mentoring is similar to the linkage programs described above, but may involve less formal approaches. Typically mentoring involves specialist or experienced staff passing on their skills and experience to others, typically through a one-on-one relationship. Mentoring is likely to be an important way of facilitating the transfer of responsibilities to community residents. An option is to mandate mentoring of local residents by fly-in fly-out staff in contract terms.

Some larger, better resourced organisations may also provide mentoring and support to Indigenous entities. This happens with a number of larger councils where mentoring approaches are used to help Indigenous councils to operate and maintain municipal infrastructure:

*Council supports implementing shared resource arrangements with smaller Councils. This will enable use of valuable specialist services to support communities. (Torres Shire Council sub. 7, p. 7)*

*Together we can capitalise on the strengths and relationships that exist in our Gulf communities and begin to equalise capacity by partnering in the provision of municipal services and infrastructure. (Burke Shire Council sub. DR18, p. 5)*

### Practical experience

Many stakeholders complained about the disconnect between policy-making in 'George Street' and the realities in communities. Real understanding of community needs will only be built through practical experience, and is likely to require more permanence of staff on the ground than is currently the case.

### Training

There are a range of formal training options that can aid capacity building, such as:

- The Aboriginal Family Wellbeing program led by James Cook University, with aims to empower communities and individuals to take control over their lives.
- University of Queensland's Advanced Indigenous Development Program, which aims to build the capacity of staff to work in new and more enabling ways in Indigenous communities.
- The Office of the Registrar of Indigenous Corporations (ORIC) governance training for Indigenous corporations and registered community organisations.

## 7.7 A staged reform, not trials

Not all communities are ready to engage with reforms. Some have governance structures that are ready to engage with reforms immediately, while others have little established governance capacity outside of their local governments.

This means that it will not be possible to roll out reforms simultaneously into every community. Rather, reforms will need to be staged with those ready, transitioned first, and others to follow as capacity is established.

A standard option for government when trying something new is to establish pilot programs or trials. Under this approach, prior to large scale roll-out, a trial or demonstration stage is used to develop novel approaches and evaluate them early (Shergold 2015).

While this piloting approach is useful for many large-scale reforms, trials should not be used for the structural reforms.

The proposed reforms are long-term in nature, and, given the challenges associated with establishment, unlikely to achieve the rapid changes in outcomes that would be required to demonstrate success under a pilot program (Altman et al. 2008). Further, there are range of measurement difficulties that make it difficult to establish causality in remote Indigenous settings (Cobb-Clark 2013).

Trials are typically used to demonstrate the success or otherwise of novel approaches. The ideas underpinning the structural reforms are not new—the empowerment and active involvement of communities has been a foundation of almost every policy in Indigenous affairs over the last few decades.

Government also needs to be cognisant of the extent to which communities are fatigued by the constant shifting of reforms. This wariness comes from communities’ perceptions of previous reforms, where new initiatives were seen to be tried but rarely given time to succeed:

*Every blackfella oughta be able to fly, there's that many pilot programs out here. (Attributed to Alf Bamblett 1991, sourced from Brad Saunders 2017)*

If the structural reforms are to succeed, government needs to make a long-term commitment to reform. As noted by QCOSS:

*Change of this significance cannot happen overnight. The implementation process must recognise and accept the long-term view – this is reform that must be undertaken over lifetimes, not election and budget cycles. Again, communities have seen reform come and go, to achieve the buy in, a public and permanent commitment must be made and is required for the ongoing structural reform being recommended. (sub. DR11, p. 2)*

As part of a long-term commitment by government, the LGAQ recommends that an early adopter approach be adopted:

*LGAQ is concerned to ensure that when moving towards a new model of service delivery transition, arrangements should recognise that communities will vary in their capacity to engage with the reform process being proposed and therefore supports a staged approach to implementation.*

*The LGAQ recommends a staged transition process that allows the better positioned communities (“early adopter” communities) to progress at a faster pace to other communities. (LGAQ sub. DR12, p. 6)*

Those communities that are ready to engage with the reforms, should be encouraged to do so. Those that are not yet ready need to be supported.

This staged approach suggests that there need to be strong mechanisms to keep the reforms on track over time—these are discussed in Chapter 10, where a framework for evaluating and monitoring the reforms is outlined in some detail.

## 7.8 The importance of regional, or cooperative approaches

Regional or cooperative approaches will be necessary, particularly where communities are not large enough to sustain a separate authorising body and maintain the capacity required to negotiate and administer agreements.

However, regional approaches will not succeed unless they properly consider local interests. The importance of local authority was a common thread in many of the responses to the draft report, with stakeholders highlighting the importance of community decision-making, without unnecessary interference or bureaucratic overlay from government or a regional body:

*The Indigenous Leaders Forum (ILF) raised a concern about the reference to “transferring accountability and decision-making to regions”.*

*The ILF was clear that decision making should occur at the community level in line with the principle of subsidiarity. The ILF rejected the concept of the formation another level of bureaucracy at the regional level. They acknowledged and supported the concept of neighbouring communities working together to generate efficiencies. (LGAQ sub DR DR12, p 7)*

*I note that the report also indicates regional bodies could have a role in this process. I would urge some caution in how this is promoted as a solution, because there is considerable scepticism about regional Indigenous bodies amongst many remote Indigenous communities... This is not to dismiss the real practical advantages of regional approaches, which have been successfully invoked by Indigenous communities in some locations... However, be aware that a reform model that places too much prominence on regional bodies is likely to be greeted with significant scepticism in remote Indigenous communities. There needs to be considerable emphasis on how local communities may choose to organise themselves regionally to support place-based planning and development. But the power must still be seen to reside locally. (Dr Michael Limerick sub DR10, p 4)*

These concerns can be addressed by taking steps to ensure that the operation of the authorising bodies that represent multiple communities support local decision-making—for example by ensuring that authorising bodies’ charter support local concerns and representational structures ensure community ownership.

While there are always trade-offs, it is likely that the benefits of operational approaches that favour collaboration between communities are likely to outweigh any disadvantages:

- the bureaucratic costs associated with regional approaches need not be excessive (relative to the current system)
- there are opportunities to establish efficiencies of scope and scale that could not be obtained through a ‘local only’ approach
- regional or collective approaches are not incompatible with localism, and in fact, may be required to enable community voice in decision making and control<sup>20</sup>
- some communities, either because of their small size, or because the Indigenous population does not have an existing focal point for establishing a community voice (particularly the non-discrete communities), would not be able to establish a viable, wholly local approach.

<sup>20</sup> For example, Fisher et al (2011) cite research which shows excessively localised approaches can lead to the rejection of outside influences. This undermines the ability of communities to generate solutions, which, in turn, encourages top down interventions to impose solutions.

Another important factor to consider is that some indigenous interests are not represented within the discrete communities and so may not be adequately represented in ‘local only’ approaches. Stakeholders raised concerns that these interests will need to be considered in any reforms:

*The terms of reference for the report are focused on communities which tends to suggest a focus on the old mission communities. Native Title however, has created significant rights and interest in land and returned some land to Traditional Owners in the form of Aboriginal Freehold. Community plans and regions should include this broader landscape in planning not simply focus on the old mission communities and DOGIT trust lands. (Jim Turnour sub DR10, p. 2)*

*In theory, these services should be able to quite effortlessly extend their operations to include Cloncurry Shire residents. In practice the geographical divide is too great and it is rare to see these agencies within Cloncurry Shire Council. The result is these agencies are not considered to be a part of the community and have limited understanding of local issues... Our experience is residents stop engaging with these agencies as they are not considered to be local, reliable or focussed on delivering specific outcomes. (Cloncurry Shire Council sub DR9, p. 6)*

*ADA Australia and the ATSIDNQ encourage the Queensland Productivity Commission to consider the application of these reforms to communities in the South West regions of Queensland such as Augathella, Windorah, Thargomindah, and Cunnamulla. The Draft Report does not recognise these communities, despite these areas being classified as very remote, having significant Aboriginal populations and facing ongoing challenges in accessing essential services such as health and disability services. (ADA Australian and ATSIDNQ sub DR6, p 2)*

Burke Shire Council (sub DR18) discussed the need to better consider these interests moving forward—the establishment of regional approaches will be important to allow these local interests to be considered in a post-reform model. They also note the benefits from greater cooperation between communities:

*Burke is also keen to investigate opportunities to share resources, knowledge and capacity in the area of governance with a particular focus on asset management. Like roadbuilding; sharing knowledge and systems in asset management makes sense and should result in improved capacity, reduced duplication and lower costs. Joint use of assets, and further shared services in other areas, are further opportunities to explore. (Burke Shire Council sub DR18, p. 6)*

Some communities already have regional representative structures in place. The Torres Strait Regional Authority is a statutory body that has formal mechanisms for engagement with each of the island communities it represents and works closely with local councils to develop community priority plans (TSRA 2014). The Commission is also cognisant of the work being led by the Cape York Institute to progress the Empowered Communities agenda with the Australian Government.

These existing initiatives should be built on where possible. For example, where work is already well-progressed on identifying mechanisms for establishing a community voice, these efforts should be recognised and built on.

While existing capacity should be developed and built on, this is not to say that the current way of doing things should not change with the reform—existing mechanisms reflect the current policy framework and may not be optimal.

## 7.9 How might the structural reforms look in practice?

The institutional structures required to support the structural reforms outlined in this chapter need to be established with, and evolve from the existing structures already in place in many communities. This section provides examples of how communities might operate in a post-reform world—examples are provided for community representation, a wholly local approach and a regional approach.

### Community-level representation

**Community-level representation** will be required to provide a focus for decision-making and planning for on-the-ground service delivery. The representative structures of communities vary considerably from place to place—this will need to be reflected in the way that the authorising bodies interact with communities. For example, Hopevale has established a community representative body which includes all 13 clan groups and works in partnership with service provider forums. Yarrabah, on the other hand, has a representative structure established around a leadership group auspiced by council with community members leading planning around service areas.

A possible operation model is provided in Figure 46. Under this model, a leadership group provides the community voice. Community members who have a specific interest work with service providers to develop priorities, identify service gaps and solutions. These are then combined to form a community plan.

The Authorising body’s role is to help the community to develop workable solutions, and to operationalise the community’s plan.

**Figure 46 Community-level representation**

*Community-plans need to be established by communities. The ways in which communities engage in this process will vary from place to place. In the example provide below the authorising body auspices a leadership group who work with service providers to develop a workable community plan.*



A case study, demonstrating how a hypothetical community might manage service delivery under the structural reforms, is provided in Box 7.6.

## Box 7.6 Case study 1—local decision making

Community Z works with its authorising body to develop a community plan. This plan identifies service gaps and community aspirations, and prioritises each. A range of initiatives are identified that the community believes can improve service delivery. The authorising body negotiates with government on how the aspirations for change identified in the community plan will be achieved. At the end of this process, an agreement is drawn up that:

- identifies the changes mainstream services (education, health etc) will make in community
- allocates untied funding for communities to run service delivery
- outlines the accountability measures government expects in return for resourcing the community.

Through its community plan, Community Z identifies a need to develop a diversionary program for young offenders. While elders in the community are keen to participate, they are unsure how to proceed, or where they will source the funds needed to establish the program. The authorising body facilitates the involvement of experts, and enables the development of a solution that has the support of the community.

The authorising body negotiates an agreement with government that specifies how the justice system (including the police) will support the diversionary program. The agreement includes incentive payments that will be made to the community for any young offenders that are kept out of detention. Funding for the program is sourced from the community's funding pool, ensuring the program runs while it continues to have community support.

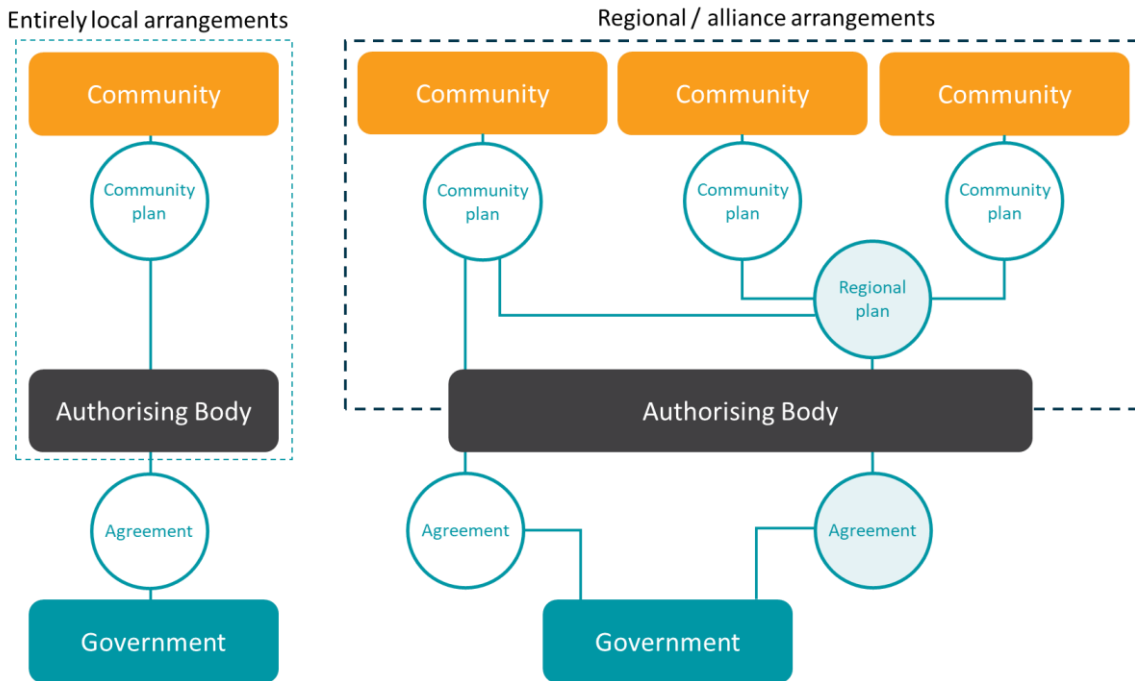
The authorising body operationalises the community's plan by resourcing the diversionary service, monitoring its day to day activities and reporting progress back to community and government.

## Regional operating models

The activities of the authorising bodies can be operationalised in many ways. This includes arrangements that operate locally, on a regional basis or through an alliance of geographically separate yet otherwise connected communities (Figure 47). Some activities might be undertaken in communities, while others are undertaken in a regional centre. Some activities might be tendered out or delegated, while others are undertaken within the statutory body.

**Figure 47 Options to best support community-level decision making and accountability**

*The best way to support community-level decision making and accountability will vary from place to place—and can include entirely local arrangements and arrangements that operate on a regional basis or through an alliance. In each, the community drives outcomes through their community plans.*



Where and how these activities occur should reflect each community’s circumstances and requirements to best support and community-level decision making and accountability. These will vary from community to community and may not stay the same over time.

For some communities, it may make sense for the authorising body to operate at a local level. For example, the community may be large enough to sustain efficiencies and be geographically isolated from other communities. In this case, the authorising body would only work with a single community to establish a community plan and agreement with government. Even under these local-only arrangements, however, it may be sensible for some cooperative arrangements to be established with other communities—for example, it may make sense to establish a network to share ideas, advocate for issues or to share some back-office functions.

For other communities, it may make more sense for the authorising body to operate across a region or through an alliance—in many case it will simply not be efficient to establish separate authorising bodies in each community. In these cases, a regional or collective approach can improve outcomes for community and the group.

Whether authorising bodies operate locally or regionally, there should be no difference in the way that local perspectives are considered.

Two case studies are provided on the next page, which outline how local decision making is enabled under regional approaches.

## Box 7.7 Case study 2—regional decision making

In region ABC, communities work through a single authorising body. The authorising body is managed by a board, comprising representatives from each community.

Across the region, each community develops a plan that outlines their community-specific aspirations for change. The authorising body works with communities to identify where there are commonalities and where a regional or collective approach can be most effective. A regional plan is created, identifying the region's aspirations for change, including any community-specific aspirations.

The authorising body negotiates an agreement with government that specifies:

- how mainstream services will be provided into each community
- the amount of untied funding available to each community in the region
- the accountability measures government expects in return for resourcing the region.

Community A identifies that a recent crackdown has resulted in fines being issued to local people for minor traffic infringements that have had large unintended consequences (such as loss of employment). The community acknowledges that road safety and compliance with road rules is important, but would like to see better use of education campaigns, rather than such heavy-handed approaches.

The authorising body recognises that the issue is also impacting other communities. As part of the regional agreement with government, the authorising body negotiates an agreement that police will continue with spot checks across the region, but will issue warnings providing they can see that compliance has improved. Communities agree to roll out an education program, with each community contributing to the production of resources to support the program. This saves money since costs are shared across communities.

## Box 7.8 Case study 3—regional cooperation

In region YYY, there are some communities that are large enough to sustain their own authorising bodies and choose to operate singularly, and others that choose to operate through a regional authorising body.

Across the region, it is identified that breast cancer screening is not occurring because it is prohibitively expensive for residents to travel to the nearest regional centre, and the Department of Health does not offer the service in communities.

All communities agree that breast cancer screening is a priority, but none, individually, has the resources to do anything about it. To overcome this, communities decide to pool funds to purchase a truck capable of transporting screening equipment from community to community. Agreements are made with the Department of Health to provide staff to support the initiative.

## 7.10 Conclusion

The structural reforms proposed in this chapter are designed to institutionalise many of the approaches to service delivery in Indigenous settings that have been shown to work. In particular, the reforms aim to embed the involvement of communities in the services that affect them through the transfer decision making and accountability. These changes should be accompanied by changes to the way communities are funded and resourced, with independent oversight and transparent reporting of progress.

Getting the implementation of reforms right will be challenging, but extremely important. There is a need to establish the capacity for government and communities to engage with the reforms. This needs to include resourcing and skill building, but just as important, is the requirement for government and communities to provide the authority for reforms to proceed.

There are risks, and the reforms will take time, but the proposed reforms are consistent with changes occurring nationally, and in other parts of Australia (see Appendix F).

---

## Recommendation 2

The Queensland Government should transfer decision-making and accountability for service delivery to communities through formal agreements. These agreements should:

- specify the resourcing that will be provided to communities, including for mainstream service provision and for pooled grant funding
- provide communities with control and responsibility for service commissioning decisions
- set out the nature and delivery of government-provided mainstream services
- identify the outcomes expected to be achieved and how these will be measured
- provide communities with greater access to agency and other data
- strengthen incentives for the successful achievement of outcomes
- set out independent oversight of reforms, outcomes and agreements.

## Recommendation 3

The Queensland Government should establish community-owned authorising bodies to provide authority to local decision making by:

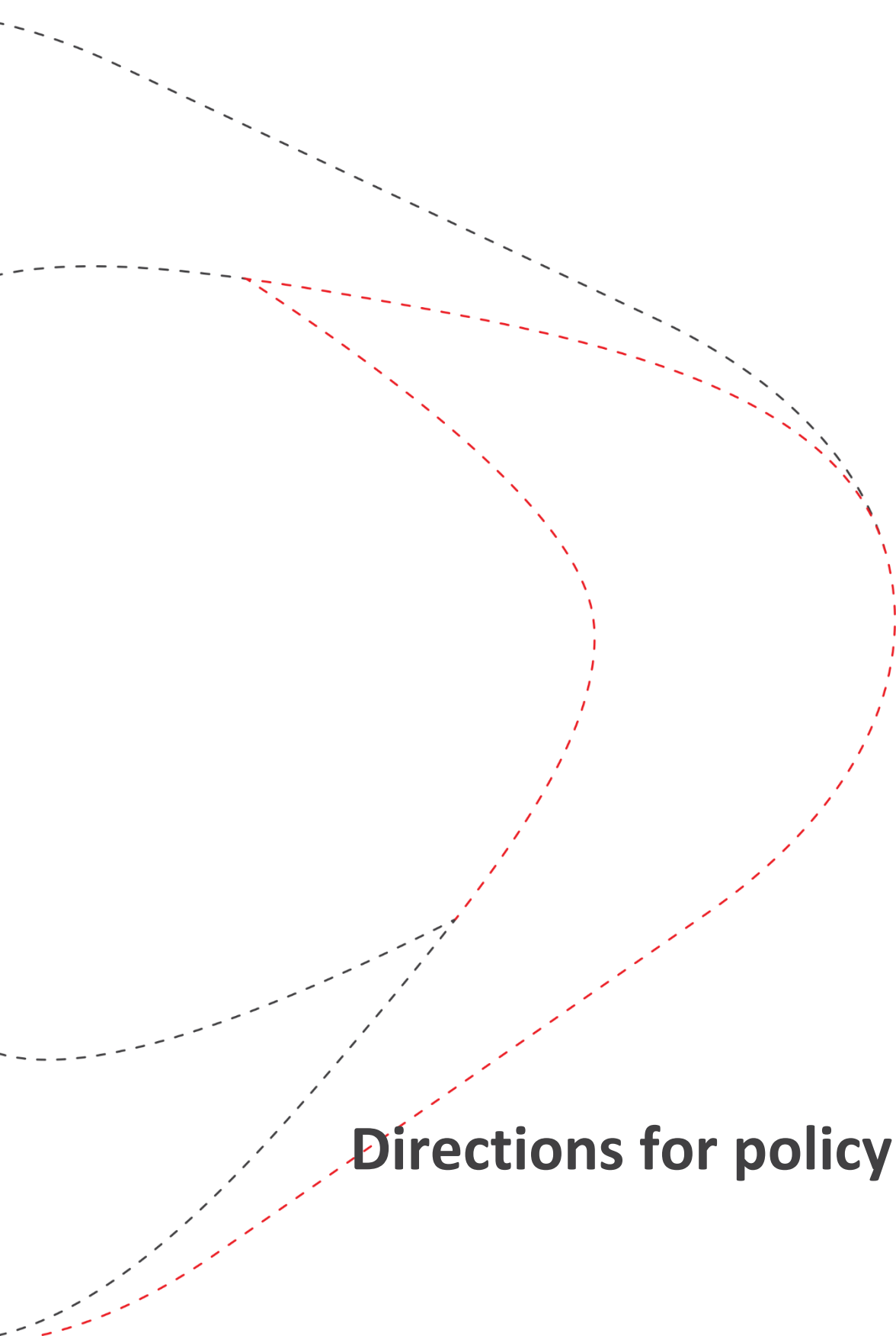
- enabling and supporting communities to establish community plans
- formally enacting agreements between communities and government
- actioning community decisions.

The authorising bodies must:

- have appropriate representative structures that give them the authority to represent community voice
- be able to independently manage private and public funding
- have a sufficiently clear mandate that allows for the avoidance of conflicts of interest
- have the capacity to support the most efficient and effective use of resources.

The establishment of the authorising bodies should be done in consultation with communities.

---



# 8.0 Directions for policy reform

*This chapter sets out a number of reform directions to improve the effectiveness and efficiency of services, and better meet the requirements of discrete and remote communities.*

## Key points

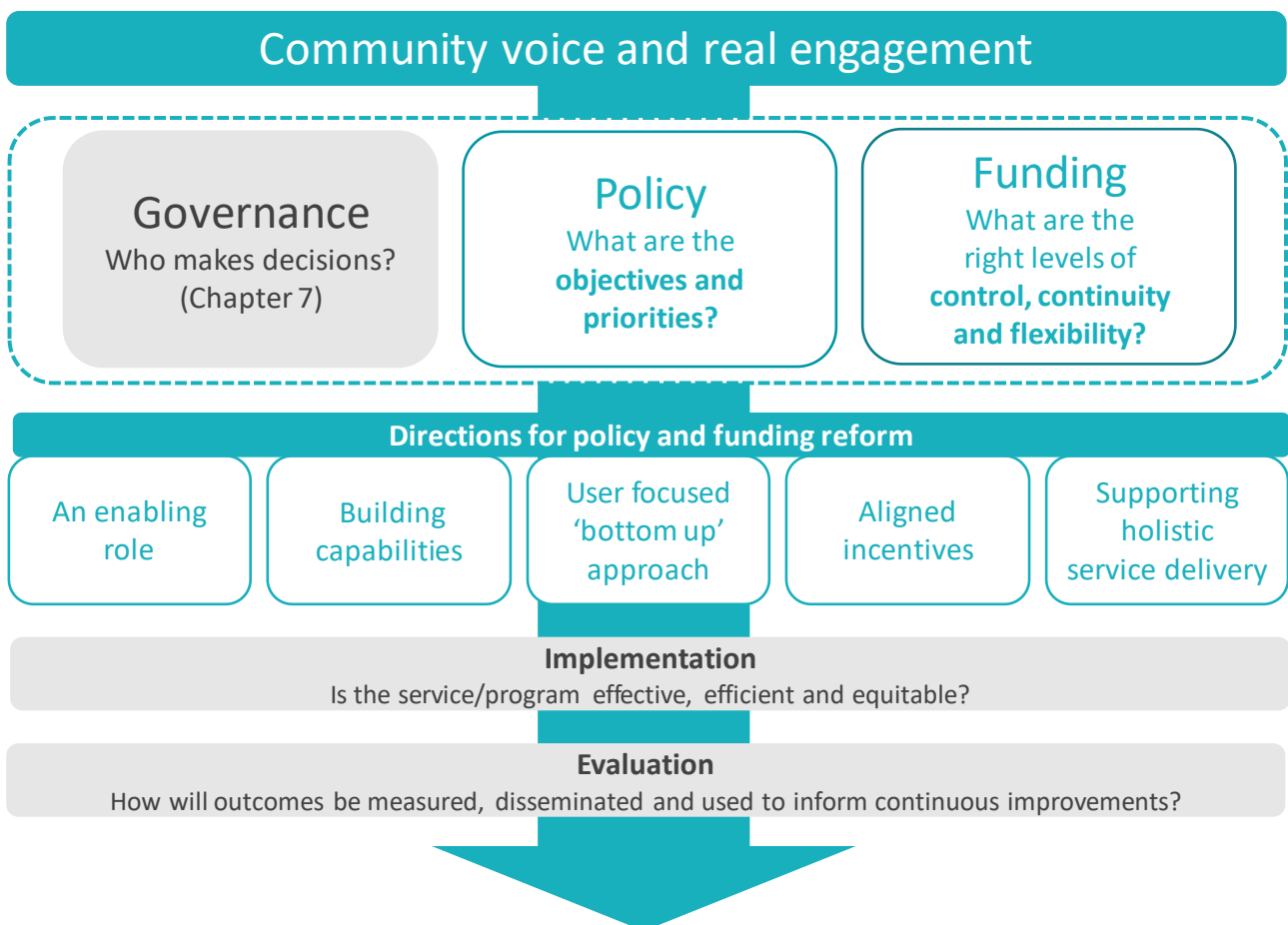
- To achieve better outcomes, government needs to broaden the tools it uses and increase its focus on facilitating non-government actors to drive change.
- Governments need to choose policy instruments that better support development. Funding model reforms that shift the government's role to 'funder and co-purchaser', rather than 'funder, purchaser and direct provider of services', would support a developmental approach.
- A user-driven system of service delivery, where individuals have vouchers or user accounts to choose the services that best fit their needs, could result in more effective, efficient services in some cases.
- Funding reforms that enable flexibility and long-term planning, such as untied grants, pooled funding, block funding and extended average contract lengths, can support improved service delivery outcomes.
- Performance- or rewards-based funding models can provide stronger incentives for service delivery improvement, while providing the flexibility to innovate. Use of these models could be expanded, pending the evaluation outcomes of existing pilots.
- Within a value-for-money framework, procurement policies and contracting reforms need to take better account of a supplier's ability to deliver culturally appropriate services, fully engage with the community, contribute to local governance capacity building, coordinate service provision, and deliver improved employment and training of local and/or Indigenous staff outcomes.
- Scope appears to exist for extending the use of policy tools (for example, Social Benefit Bonds) and organisation models (for example, Aboriginal Community Controlled Health Organisations) to better support holistic service delivery.
- Place-based and case management initiatives cutting across policy areas and levels of government can enable an effective response to community-specific needs.
- Community bodies can provide a forum for community engagement in the prioritisation and co-design of services, and for developing place-based approaches.
- Building community and public sector capabilities is critical to improving service delivery. Within the public sector, 'capability' is much broader than cultural awareness training and involves the ability to change current approaches.

The effectiveness and efficiency of service delivery is a product of the choices made by governments and others concerning the governance arrangements, policies and funding models in place (Figure 48). However, those choices over many decades have also affected both local conditions and the level of demand for services. More fundamentally, service delivery performance is a product of how the relationship between Indigenous people and governments is conceptualised, which shapes the rationale for government policy interventions and the nature of those interventions.

Service delivery reforms should address the root causes of challenges faced by communities, support community empowerment and incentivise development. Models that take a bottom-up approach—such as demand-driven and place-based services—put a stronger focus on delivering outcomes for users, and assist resources to flow to higher-value uses. Iterative learning and capacity building is supported by flexible approaches that devolve decision-making and the control of resources to communities and community-controlled organisations.

While a particular policy tool might be used under various governance or institutional arrangements, and while a particular policy might be funded under different models, governance, policy and funding are often closely connected.

**Figure 48 Overview of the directions for policy and service delivery reform**



## 8.1 Changes in approach are required

For outcomes to improve, the relationship between people living in communities and governments needs to be reconceptualised. This will affect how problems are perceived and what the respective roles are of individuals, families, communities, councils, and the Queensland and Australian governments in achieving sustained improvements in standards of living.

Central to this change is a recognition that improved service provision is unlikely to solve the underlying problems in communities. Economic development is critical to addressing social problems (see Chapter 9).

### A shift to government as 'enabler'

The role that government has taken on over decades is the role of service provider and the primary 'fixer' of problems in communities, while Indigenous people have often been placed, through a range of mechanisms and historical processes, into a passive role. The failure of this approach and some of the reasons why it has failed are discussed in Chapter 5.

An enabling perspective supports Indigenous enterprises and people to stand up and take responsibility for their own communities—a critical requirement for real change to occur.

There is strong support for the role of government to change so that it supports or enables community-driven change.

*We support an enabling model of governance in service delivery that promotes a gradual shift in decision-making power, behaviours, responsibilities and attitudes towards one that builds Indigenous leadership. (The Centre for Independent Studies sub. 21, p. 5)*

*When economic development is driven by communities, rather than through government-imposed programs, it is usually more successful. Indigenous-driven development does not mean development has to occur without outside assistance, but it means that external support is sought as an enabler to assist communities to achieve their goals and is not imposed as a means of ensuring externally-devised goals are met, (Urbis 2014, p. 35, based on Hunt 2011)*

Under an enabling approach, it is not the role of government to identify and fix problems in communities. Communities themselves will do that. They may, however, need support, for example, providing expertise and the transfer of skills. They may also need governments to work with them to change legislation and regulations, or to alter programs.

Moving beyond the rhetoric of 'enabling', the shift implies significant and difficult change:

*This requires a radical shift not just in responsibilities, but in behaviours and attitudes of the key partners. Indigenous reform leaders are expected to step up and assume the lead role in driving challenging reforms ... . Government partners, on the other hand, need to take a step back and participate in support of Indigenous leaders and their place-based development agendas. This does not mean that government takes a passive role. Government is an active partner. Its representatives come with valuable knowledge, experience and responsibilities that the other partners do not have.*

*The role of enabler ... requires an ability to listen and understand what is being proposed from outside government—to create the environment in which Indigenous people can act as the senior partner in negotiations and to drive outcomes, and initially at least, a preparedness to help bridge knowledge and capability gaps if they exist. It requires a capacity to recognise good strategies and proposals developed by others and a willingness to actively look for ways to add value, to make government work as it should in support of good reform ideas. It may mean tackling government silos and blockages to pave the way, identifying funding sources, garnering support from key agencies. (Empowered Communities 2015 p. 41)*

Such a change will extend across communities, providers and government:

*A recurring feature of evaluations of government programs and strategies with community-driven elements is that the challenge is not just in the capacity of Indigenous communities to lead and manage development, but in the capacity of governments themselves to facilitate effective community development processes. (Limerick & Sutton 2013, p. 49)*

Shifting to an enabling role also means that government increasingly withdraws from a direct service provision role. There are many different paths for this change, but the objective is to move to a state where a much larger proportion of the local population have the capabilities and opportunity to participate in service provision and employment within their own community.

The benefits to government from taking an enabling role include:

- Service delivery can be more readily adjusted to local contexts so that the service better achieves its intended outcomes.
- Along with supporting communities in building capabilities, an enabling role better supports economic and community development leading to a lower prevalence of health and social problems that require intensive service delivery.
- It may help manage risk as an enabling role goes hand-in-hand with government providing the space for communities to take greater responsibility. Better risk management can help reduce public pressures that lead to, for example, the frequent changing of programs (Chapter 5).

## 8.2 Community voice and engagement

A developmental approach informed by communities’ priorities will enable a more efficient allocation of resources to their highest-value use. Central to a developmental approach is the idea that community members are experts in their lives and communities—they take the lead in making decisions on issues, selecting and implementing actions, and evaluating outcomes. A relationships focus is needed, taking a ‘bottom-up’ approach to program design and decision-making that incorporates community ownership and leadership (Hunt 2016).

A review of engagement in regional Queensland recognised distinctions between engagement by government and engagement by communities, ranging from government informing and community observing, through to communities finding their own solutions (empowerment) (Chappell n.d., in Thorpe et al. 2016, pp. 7–8). The spectrum of engagement is illustrated in Figure 49. Real engagement at the ‘empowering’ end of the spectrum would support a developmental approach.

**Figure 49 Spectrum of engagement**



A key theme identified by stakeholders was that consultation was too rushed and did not engage with recipients of services:

*Many Woorabinda residents, however, believe they are not being serviced adequately by visiting services funded to assist their community. The issue is compounded by the fact that local residents have no input into program design to ensure local cultural expectations are met, and no involvement in ongoing decision making. (Woorabinda Aboriginal and Torres Strait Islander Corporation for Social and Emotional Wellbeing and Health sub. 5, p. 2)*

*Indigenous communities are relationship driven, locals need to know and trust you. Building relationships takes time to establish. The emphasis needs to be on outreach and prevention ... in building community ownership of our health future. (The CEO, Lockhart River Aboriginal Shire Council, in LGAQ sub. 14, p. 9)*

Consultation is frequently ad hoc rather than ongoing, limited to certain groups or service providers, and communities were rarely informed of the progress against agreed action items or the outcomes. As a result, issues were often discussed repeatedly without progress against identified priorities.

Real engagement with community ensures that decisions are made locally by the people most directly affected by them. This enables approaches tailored to the local situation and realities on the ground (Chaney 2012), including place-based responses that are integrated and cross-sectoral.

### 8.3 Choosing policy instruments that support development

When a government considers intervening in a community to achieve a certain objective, it faces choices on how to intervene. At a broad level, three types of policy instruments are available:

- Laws and regulations—may prohibit an activity or action; they also influence the incentives to undertake certain activities or actions.
- Interventions through altering prices—for example, taxes alter the level of prices (costs).
- Expenditure policies—which can entail the direct provision of a service or purchasing a service to be delivered. Expenditure policies involve appropriations under budget processes.

Within each of these types of interventions, many design options are available to governments. The choice of how to intervene, the details of design, and the quality of policy implementation can have a large bearing on whether policy achieves its objectives or whether it unintentionally contributes to problems in communities.

Policy choices involve trade-offs. In weighing the pros and cons of various ways of achieving a certain objective, greater weight (compared to what appears to have been the norm in the past) needs to be given to the long-term implications of the policy choice on economic and community development.

#### Avoid owning assets

Consistent with an enabling role and the need to support the development of local capabilities in communities, the government should usually choose policy instruments that minimise the degree of direct control over the activity or service.

From a long-term perspective, capital investment is a critical element of the wealth creation process. When a government makes an investment in an asset in a community—businesses or fixed assets, such as facilities—it determines the full range of characteristics of the asset, including the timing, location, service capacity, and the tenure of the land that the asset is built on.

In broad economic terms, governments largely determine the capital structure of the economy in communities. While investment may be needed, investment plans not determined by the market or driven from the local level run the risk of distorting development.

When the government owns an asset, it controls the asset. The government has a responsibility to taxpayers to ensure that their investment achieves value for money and is maintained properly.<sup>21</sup> Ownership also means control over future capital investments that modify or extend the capabilities of the asset, whether through public or private means. Even where a government leases an asset, the arrangements will invariably be complex and enforce a large degree of control over the asset.

Investing in a business and running a business, and investing in and maintaining large capital assets, requires significant skill. For example, the procurement process for delivering infrastructure, such as a health facility, requires a great deal of knowledge—from how to finance capital investments, to designing facilities, to project management skills, risk management, and designing whole-of-life asset maintenance plans. These skills are maintained within the public sector, or the public sector contracts them to external organisations (which are usually not Indigenous organisations).

Government ownership and control denies communities opportunities to develop these skills and does not nurture a culture in communities of individual or community action.

Significant assets owned by the Queensland Government in communities include:

- retail stores, including the equipment used to fit out the store
- health care facilities and equipment used to provide primary and other health care services
- school facilities
- social housing.

Background on social housing, retail stores and the primary health care is provided in the sections below. Retail stores are discussed further in Chapter 9.

The choice to intervene through ownership of fixed assets with long lives means that government is in for the ‘long haul’. There are very few cases of the Queensland Government transferring the ownership of assets to private entities in communities or community organisations. Because of the longevity of assets and the reluctance to withdraw from ownership once investments are made, investing in and owning assets is an inflexible policy tool. Further, if capital investment is not optimal to community needs, then the mistakes made have lasting impacts on communities.

## Housing

Various overseas and Australian jurisdictions are attempting to improve outcomes in Indigenous communities by transferring or extending control to communities of the services provided by assets. For example, the Victorian Government has begun a process of removing the first mortgage it holds over social housing assets owned by Aboriginal Community Controlled Organisations (ACCOs) (Box 8.1). The removal of the first mortgage will give greater flexibility to ACCOs in the management of Aboriginal housing. In addition, the Victorian Government is transferring title and ownership to more than 1,500 properties to Aboriginal Housing Victoria (AHV).

In Queensland, rather than devolving greater control over housing to communities, the National Partnership Agreement on Remote Indigenous Housing (NPARIH) process has effectively extended state government control (discussed in Chapter 13).

---

<sup>21</sup> See, for example, the former Department of Infrastructure, Local Government and Planning’s Total Asset Management Plan Framework, Queensland Health’s Asset management and maintenance standard, the Department of Housing and Public Work’s Strategic Asset Management Framework guidelines and Capital Works Management Framework, and Queensland Treasury’s Financial Reporting for Queensland Government Agencies, Financial Accountability Handbook, Non-Current Asset Policies for the Queensland Public Sector, and Non-Current Asset Policies Tools.

## Box 8.1 Victorian Aboriginal housing

### Removal of first mortgage over housing held by ACCOs

The Victorian Government is piloting a program that will ensure Aboriginal Controlled Community Organisations (ACCOs) have full control of their assets and have the autonomy to grow and plan for the future. This pilot is the first step in a program to remove first mortgages held by the Minister for Aboriginal Affairs for 30 Aboriginal organisations.

Aboriginal Housing Victoria (AHV) and the Bendigo and District Aboriginal Co-operative are the first organisations to trial the program and will receive \$50,000 grants to develop business cases for the removal of the first mortgage over their properties.

The program will see the removal of first mortgages following specific requirements being met, including financial stability and a sound governance history.

In Victoria, Aboriginal organisations currently own 59 properties, over which the Minister for Aboriginal Affairs holds a first mortgage. The first mortgages were generally applied as part of the funding agreement that allowed the organisations to purchase the properties.

Whilst the organisations are the legal owners of the property, the existence of the first mortgage prevents them from utilising the capital to build a better future.

### Title and ownership transfer

AHV provides housing services to Aboriginal Victorians through its management of more than 1,500 properties and until July 2016 owned a modest number of those properties, with the Victorian Government owning the rest.

From July 2016, the government began transferring the titles and ownership of its properties to AHV through a staged process, with about 500 properties transferred at each stage.

Using administrative data from AHV's information management systems, AHV, the Melbourne Social Equity Institute and the University of Melbourne's Faculty of Business and Economics are comparing property characteristics and tenant outcomes before and after each stage of title transfers, as well as separately for properties that do and do not transfer. The data are being used to investigate whether the devolution of ownership of housing assets from the government to a private Aboriginal community organisation improves the quality of those assets and leads to better tenant outcomes.

Sources: *The University of Melbourne n.d.; Hutchins 2017.*

## Retail stores

Communities have long expressed concern over government ownership of retail stores in communities and a preference for other ownership models. Only in Queensland does the government continue to own retail stores in Indigenous communities.

The Queensland Government owns retail stores through Community Enterprise Queensland (CEQ) (Box 8.2).

Consultations generally indicated that there have been signs of improvement in retail store operations in the short time since the introduction of CEQ in terms of the range and quality of goods on offer (although consultations also revealed continuing concerns on these issues).

From a developmental perspective, government ownership of retail stores monopolises retail trading in many communities and impedes the development of a business culture, perpetuating the problem that little happens in communities that does not have the hand of government upon it (either the Australian, Queensland or local government). There is a history of privately run stores and community stores performing poorly, and there is concern about a repeat of these problems should government not continue to exercise control over stores and the resulting impacts on a reliable supply of quality food in communities. However, governments can influence the provision of reliable and quality food supplies in other ways which do not simultaneously damage development. These issues are discussed further in Chapter 9.

## Box 8.2 Government-owned stores: Queensland compared with other states

### Community Enterprise Queensland

On 1 September 2016, the name of the Island Industries Board (IBIS) changed to Community Enterprise Queensland (CEQ). CEQ was formed through a merging of retail stores trading under the name of IBIS and Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP) Retail Stores. Both sets of stores are now managed by CEQ. CEQ is a Queensland Government statutory body with responsibility for commercial enterprises in Aboriginal and Torres Strait Islander communities, currently primarily in retailing. CEQ operates under an independent board with its head office in Cairns.

In the Torres Strait and Northern Peninsula Area, CEQ continues to trade as IBIS. The IBIS operational hub is in Cairns. IBIS operates two supermarkets, 16 convenience stores, a service station and a hardware store. DATSIP operated Retail Stores in six very remote communities including Woorabinda, Palm Island, Lockhart River, Pormpuraaw, Kowanyama, and Doomadgee.

Retail Stores and IBIS provide a range of food, drinks, furniture and bedding, white goods and small appliances, mobile phones and phone credits, and other household products. The range of goods depends on the size of the store.

### Western Australia

The state government does not own retail stores in Indigenous communities. There have been situations where the government has stepped in and has been involved in arrangements to re-establish a store and transfer it back to local ownership.<sup>22</sup>

### Northern Territory

The Northern Territory Government does not own retail stores in Indigenous communities. Five regional Shires own community stores as assets under the local government reforms (Victoria-Daly, Roper Gulf, East Arnhem, West Arnhem and MacDonnell) with these stores managed by ALPA. Retail stores in the Northern Territory are owned by communities or land corporations, privately or under a joint-ownership model. ALPA and Outback Stores are contracted in many cases by communities to manage or assist with managing the stores.

Sources: House of Representatives 2009; DATSIP 2016.

## Primary health care

In Queensland and nationally, the process for transferring primary health care services to community control has been long and is ongoing (Box 8.3). Canada is further advanced along this path:

<sup>22</sup> See <https://www.mediastatements.wa.gov.au/Pages/McGowan/2017/07/Store-a-catalyst-for-change-in-remote-Aboriginal-community.aspx>.

*Over past decades, Australian and Canadian Indigenous primary healthcare policies have focused on supporting community controlled Indigenous health organisations. After more than 20 years of sustained effort, over 89% of eligible communities in Canada are currently engaged in the planning, management and provision of community controlled health services. In Australia, policy commitment to community control has also been in place for more than 25 years, but implementation has been complicated by unrealistic timelines, underdeveloped change management processes, inflexible funding agreements and distrust. (Lavoie & Dwyer 2016, p. 453)*

Greater community or local control means government and other health stakeholders engaging with the community to enable greater involvement in planning, developing, managing and delivery of health services, to reflect local community priorities and aspirations. The degree of community control and the form that it takes vary by community.

### Box 8.3 Queensland transfer of primary health care to community control

In Cape York, Apunipima was established in 1994, with the Cape York Institute recommending in 2005 that Apunipima take on the delivery of primary health care services for Aboriginal communities in the Cape. The Australian Government, Queensland Government and Apunipima signed a Deed of Commitment in August 2006, with a target date for full implementation of community control by June 2011.

The predominant form of Aboriginal and Torres Strait Islander community control in Australia, and Queensland, is the Aboriginal and Torres Strait Islander Community Controlled Health Organisation (ACCHO) managing and delivering health services, but community control can take other forms such as community-controlled funds purchasing primary health care services from other providers.

International and national research and experience have shown the following:

- In any population, but specifically disadvantaged populations, improving access to primary health care is critical for improving health outcomes.
- Community involvement in the design and delivery of primary health care services is a key factor in improving access to primary health care.
- Canada, the United States and New Zealand have taken a systematic approach to increase community control and have seen improvements in Indigenous health indicators.

In Queensland, the transfer of primary health care services to ACCHOs is guided by the idea that communities are responsible for their health services at a level that is commensurate with their abilities and aspirations.

In 2011, the Queensland Aboriginal and Islander Health Council (QAIHC) released *Pathways to Community Control* as a blueprint for transfer to community control in remote and regional Queensland. In the first instance, these communities are in Cape York, Torres Strait, The Gulf, Palm Island and Yarrabah. In 2011, the Queensland Government released a draft strategic policy framework for the transfer of primary health care services to greater community control, but the policy was never finalised.

Sources: Queensland Government 2011a, 2011b, 2010; Dwyer et al. 2015.

Yarrabah was the first community in Queensland to transition its primary health care services to a community control arrangement. Gurriny Yealamucka Health Services Aboriginal Corporation ('Gurriny') operates primary health care, including general practice services, with the Queensland Government health service offering emergency, dialysis, dental and specialist outreach services:

*A notable contributor towards the empowerment and development of Yarrabah priorities is the community-controlled health service, Gurriny Yealamucka Health Service. Gurriny assumed control of primary healthcare services in 2014, and has since performed well above national key performance levels for the majority of healthcare indicators. (McCalman & Jones 2015)*

The Yarrabah health centre is owned by the Cairns and Hinterland Hospital and Health Service (CHHHS). Under current arrangements, a sub-lease is in place between the CHHHS and Gurriny (as the lessee) for the use of building space. Gurriny uses the Yarrabah health centre as its base to deliver services under its community-controlled model of care:

*Gurriny's approach of fostering long-term generational change through community-controlled and family-centred programs is critically important for improving health outcomes and mitigating risk factors. (Central Queensland University sub. 7, p. 3)*

This arrangement is unique to Yarrabah, and the arrangements for the management of capital in other transition locations will be individual to each community, and dependent upon negotiations between the parties involved.<sup>23</sup>

Apunipima operates in Cape York within a hybrid primary health care system (Box 8.3). By 2014, Apunipima had:

*achieved significant growth to become a major provider and partner in the delivery of PHC to the Aboriginal communities of Cape York. However, the commitment to full community control of Cape York PHC services had not been realised. In all communities other than Mossman Gorge, a hybrid PHC system operates, with attendant problems in service coordination and pressure on working relationships. (Dwyer et al. 2015, p. 5)*

Going forward, the transfer process in the Cape is:

*In January 2017, the Boards of the Torres and Cape HHS and the regional Aboriginal and Torres Strait Islander Community Controlled organisation, Apunipima Cape York Health Council, jointly agreed to a Transition Action Plan for Cape York. The Transition Action Plan sees services progressively transitioning in Aurukun from 1 July 2017, with further work to continue around the opportunity for transition in up to four other communities in the future. Once in place, the new arrangements will enable a single comprehensive and integrated primarily healthcare model of care in each community, with Apunipima as the lead provider of primary healthcare services. (Queensland Government sub. 27, p. 11)*

## Government as funder and co-purchaser

The delivery of a service can be broken down into three distinct roles:

- who funds or finances the service
- who purchases the service
- who delivers the service.

For some services, government fulfils all three roles. For example, in the case of primary schools, the Queensland Government is the funder (with funding also coming from the Australian Government), the Queensland Government purchases the provision of education services from the Department of Education, and the Department of Education delivers the service (at least in most communities).

<sup>23</sup> Consultation with the Department of Health, 28 July 2017.

Due to reforms over the last few decades, governments have been withdrawing from the role of provider for some services (for example, employment-matching or brokering services), while maintaining a funding and purchasing role. The different roles and the trend towards more agency contracting of the delivery of services is illustrated in Figure 50.

The trend of government withdrawing from the provider role in favour of contracting the provision of services is consistent with the following ideas:

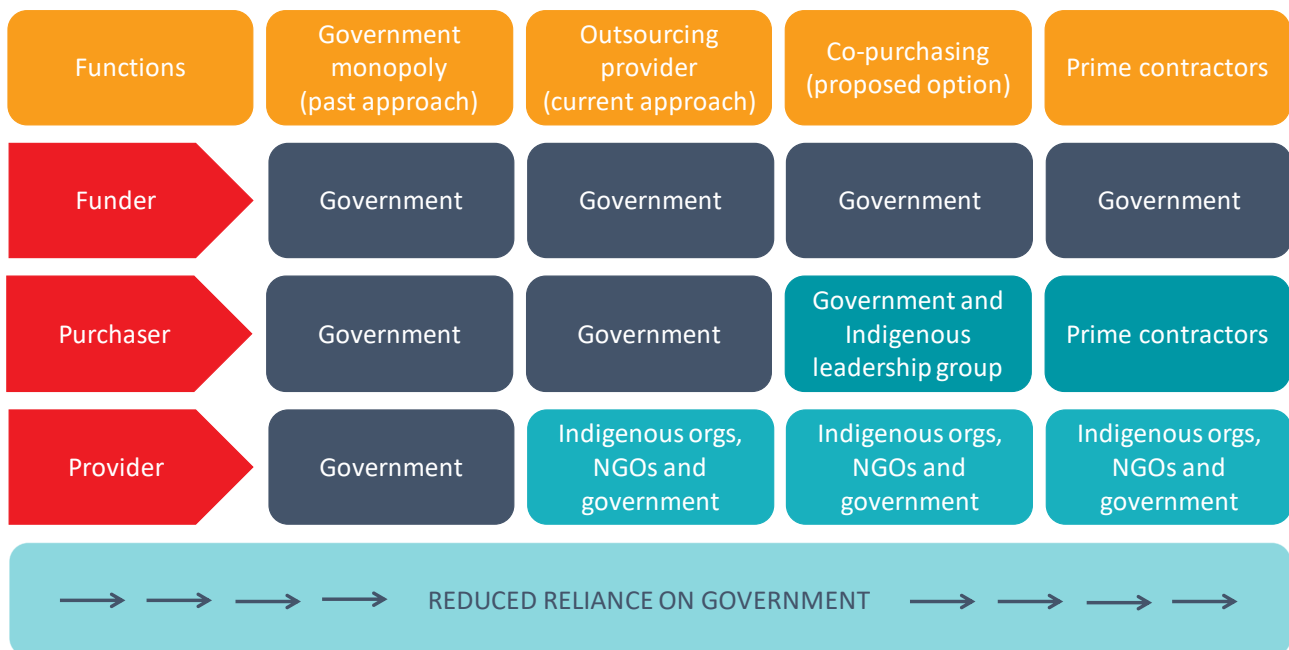
- Communities need to take more responsibility for the provision of services and be less reliant on governments (a less ‘passive’ service delivery model).
- Through participation in service delivery, community organisations can enhance their capabilities over time.

If communities are to be empowered to drive change, then government needs to provide the space for this to occur:

*CYLC supports the proposal to shift government's involvement in service delivery to the role of funder and co-purchaser rather than funder, purchaser and direct provider of services. An arrangement where government is the funder and co-purchaser of agreed outcomes in cooperation with communities would empower communities to drive their own development and service delivery. (CYLC sub. DR13, p. 2)*

Contracting also has potential to provide local employment benefits (discussed in Chapter 9).

**Figure 50 Funder, purchaser and provider reforms**



*Notes: A prime contractor model involves a commissioning approach where a government contract is awarded to a high-level organisation that has the responsibility of organising and managing a group of subcontractors/providers often called the supply chain. In more traditional purchaser/provider models, government purchases services that are delivered by either not-for-profit or for-profit providers. The prime contractor model introduces a new entity into the purchasing arrangements, which involves a not-for-profit or a for-profit organisation taking on a role as purchaser/manager of public services. This creates a three-tier approach, government as funder, a not-for-profit as purchaser (the prime contractor), and services purchased from not-for-profit, for-profit and/or government agencies as providers (O’Flynn 2014, p. 6).*

Source: Based on Empowered Communities 2015, p. 67.

While these reforms have shown benefits, there have also been problems. Communities have been critical of contestability (or competitive tendering) reforms. The underlying problem is not the model as such (that is, the withdrawing from the provider role in favour of agency contracting), but how contracting processes have been conducted in practice (as well as problems in short-term contracting and fragmentation of funding). In particular, it is argued that the outcomes of tender processes have favoured large (often national) NGOs over community-based NGOs.

Communities said that tender evaluations are not achieving desired outcomes in terms of value for money. In their view, the desired service outcomes are often not being achieved by large NGOs, largely related to the problems of delivering services when cultural capability, local context and local authority matter. This suggests that if large NGOs are winning tenders largely based on their cost competitiveness, then the 'real' cost of their tenders is higher.

Both the Queensland and Australian governments' procurement principles are intended to be holistic (taking account of a broad concept of costs and benefits). However, in practice, tender evaluations may focus more narrowly on the specific outcomes sought by the delivery of the service. Where those outcomes are not achieved, contract monitoring processes should identify the failure. If contracted service delivery is not achieving the intended outcomes, this should be reflected in the loss of future contracts.

In practice, there are a range of factors that could contribute to poor performance going unchecked. Monitoring of on-the-ground performance can be difficult and costly. Decision makers may be risk averse so that, even if monitoring has indicated that performance is poor, this situation, from the decision maker's perspective, may be better than contracting an alternative Indigenous supplier whose likely performance is uncertain (e.g. if they have no prior track record of performance).

Procurement policies include strategies to help counter-act these problems. One strategy is to reduce the barriers to participating in procurement processes (e.g. providing information on processes, providing assistance in connecting with procurement processes, designing tenders in a way that do not unintentionally lock-out small and medium sized businesses from participation). These types of strategies better prepare Indigenous organisations for competitive tendering processes. Other strategies, such as adjusting tender evaluation criteria, are considered in Chapter 9.

Achieving the right balance in service delivery tender outcomes means balancing the benefits of cost-efficient service delivery with the longer-term benefits of community development through stronger and capable community organisations.

While the overall direction of the funding model reforms is consistent with the evidence on what should work and what community-led initiatives and consultations have strongly indicated as the preferred way forward, improvements should be made in the areas of:

- increasingly involving communities directly in the purchaser role as co-purchasers
- tender evaluation criteria and processes that likely mean that there is some re-balancing of tender outcomes towards long term value for communities
- ensuring that the barriers to participating in tender processes for Indigenous organisations is minimised, and that sufficient support is provided
- improved transparency of tender processes, perhaps also reporting on the reasons why particular service providers are chosen
- greater accountability of service providers to communities.

## Devolved and flexible funding models

The degree of devolution in funding models has implications for local capability building:

*Devolution is no panacea; indeed, given the diversity of context, and the difficulties of backing innovative grant systems with the level of support that has proven necessary elsewhere, it is reasonable to expect some failure. But experience elsewhere also shows that seeing such contexts only through the lens of risk, deficit and chronic governance failure will most certainly undermine the prospect of local capability or accountability developing—ultimately undermining the possibility of improved outcomes for Indigenous people. (Moran et al. 2014, p. 47)*

Different funding models or instruments can support devolved decision-making and/or provide greater flexibility in resource allocation:

- General revenue assistance (general purpose grants)—local governments receive general revenue assistance payments which provide them with funding for core council services. Indigenous councils also receive State Government Financial Aid (SGFA) funding in lieu of council rates. The grants to Queensland councils and a number of similar Northern Territory councils constitute the only examples in Australia of general-purpose grants to Indigenous organisations (Moran et al. 2014, p. 13).
- ‘Tied’ funding—funding can be provided for specific purposes, or to achieve specific outcomes, for example, National Partnership Agreements.
- Pooled funding—involve attempts to coordinate government spending across portfolios and jurisdictions into a combined or flexible funding pool. Once funds are pooled, the payment mechanism may be in the form of a block grant or some other payment structure.
- Annuity approach—takes the pooled funding model further by also pooling across time (Box 8.4).
- Block funding—where an organisation is funded through a single grant with a single reporting framework to fulfil its core governance functions. Block funding can be provided via an untied general-purpose grant, or it can be provided through a tied specific-purpose grant. General revenue assistance to councils is also a form of block funding.

Flexibility in how resources are used helps organisations better address the complex problems and disadvantage experienced by many in communities:

*The ability to have a level of flexibility is imperative in dealing with the myriad of problems experienced because of high levels of disadvantage. The necessity to maintain some tied funding is recognised, but the current processes which require different sources of funding from different state and federal departments, often for the same clients, creates major issues associated with service provision, achievement of best outcomes, administration and accountability. Funding from less “pools” and greater flexibility would produce more effective outcomes. (Woorabinda Aboriginal and Torres Strait Islander Corporation for Social and Emotional Wellbeing and Health sub. 5, p. 3)*

*[W]hile all recommendations are important, of particular importance is the provision of a funding pool that can be accessed to support the agreed community vision and plan. Retention of siloed programmatic responses led by rigid guidelines will undermine the intent of the reform agenda. If communities are truly to have say over their outcomes, they must have a say as to how money is spent. (QCOSS sub. DR11, p. 2)*

## Box 8.4 An annuity approach

An annuity approach is essentially a funding agreement over a very long term, which includes an incentive mechanism. It can provide incentives for improved performance and can provide communities with significantly increased flexibility to allocate resources and implement development agendas.

In terms of flexibility, an annuity approach relies on the pooling of funding across services and over time and the establishment of a fund or trust from which a future stream of cash flows (the annuity) is determined. For example, in the hypothetical situation that the net flow of resources to communities was known at a point in time then estimates could be made of the net present value of the stream of flows over time, and this amount could be deposited in a trust fund. Communities would receive funding from the trust according to an agreed stream of cash flows. Any agreement between the Queensland Government and the managers of the trust fund would set out needed governance and accountability arrangements. Performance would be specified based on an outcomes-based approach. Communities or their regional representatives would have significant flexibility in how services were delivered and outcomes achieved.

The incentive mechanism would be that the annuity declines over time towards some target level of per capita funding, say, the average of per capita funding provided to remote non-Indigenous communities. This would provide a strong incentive to achieve real outcomes, thereby reducing the level of 'need' for service delivery, and for service delivery methods to improve over time. The annuity might be set constant for some time to allow adjustments to occur before beginning to decline.

The annuity approach could be applied in specific policy areas rather than across the totality of funding to communities.

Another advantage of the approach is that it provides greater certainty of funding, as the model focuses on a long-term funding profile. It also provides a clear objective or funding 'end-point'.

From a review of international evidence, Moran et al. (2014) identified characteristics that appear to create enabling conditions for improved governance and performance (Table 22), for example:

*Public financing of Indigenous organisations has been successful when the organising node is the organisation, rather than the program. Funding can be organised either around the totality of the organisation's functions, or restricted to its core functions. (p. 3)*

The funding and governance arrangements for Indigenous councils and the Torres Strait Regional Authority (TSRA) performed well against the identified characteristics. On most characteristics, Indigenous councils and the TSRA were assessed as fully or mostly corresponding.

In the case of the TSRA, and in the context of the institutional reforms discussed in Chapter 7, there is an existing regional coordination body with funding arrangements having the characteristics supportive of improved governance and funding performance. And this regional body could conceivably take on an expanded role.

In the case of councils, funding arrangements are appropriate for the funding of council activities, although there may be issues in the level of funding provided through those arrangements. However, in considering the role of councils in the proposed institutional reforms, there is a broader range of considerations that can impact on service delivery and development (see Chapters 5 and 7).

For community service delivery organisations, funding arrangements should continue to move in a direction that provides greater flexibility to providers and supports pooling of resources (in part, to help overcome the problem of fragmentation). This will enhance opportunities to base funding arrangements, and performance management frameworks, more around the organisation rather than individual programs (similar to council/TSRA funding arrangements). This will likely require greater coordination with the Australian Government.

**Table 22 Funding characteristics supportive of improved governance and funding performance**

Characteristic	Qld LGAs	TSRA	Characteristic	Qld LGAs	TSRA
Organisation linked to a clearly defined territorial jurisdiction	Fully	Fully	Minimum requirements/standards specified to access the grant	Mostly	Mostly
Organisation linked to clearly defined jurisdiction according to a service delivery mandate	Fully	Fully	Culturally and contextually appropriate governance structures supported	Partially	Mostly
Funding provided in a block form, with acquittal and reporting requirements built around the organisation (rather than the grant or program)	Mostly	Fully	Capabilities supported for organisation to achieve minimum governance and service delivery performance standards	Mostly	Partially
Funding secure for the medium term (3–5 years)	Fully	Fully	Devolution actively risk-managed through ongoing government engagement	Mostly	Partially
Discretion devolved to the local level for budgeting, planning and decision making	Mostly	Fully	Core governance functions explicitly funded	Mostly	Fully
Performance indicators negotiated that are within the reasonable influence of the funded organisation	Partially	Mostly	Funding conditional on downward accountability mechanisms	Partially	Partially
Incentives for improved governance and/or service delivery performance	Mostly	-			

Source: Moran et al. 2014, p. 38.

## Contracting reforms

The Australian Productivity Commission has undertaken an inquiry which includes recommendations to improve arrangements for planning, evaluation, contracting and feedback systems for services provided in remote Indigenous communities.<sup>24</sup> The key recommendations from the draft report are provided in Box 8.5.

### Box 8.5 Commissioning practices for services in remote Indigenous communities

The Australian Productivity Commission is conducting a concurrent inquiry into human services in remote Indigenous communities. Its draft report makes the following recommendations to improve commissioning practices:

- Longer contract terms: increase default contract lengths to 10 years, with some ability to vary contract lengths, and with provisions that provide adequate safeguards to allow governments to remove providers in cases of serious failure. This will allow adequate time for service providers to establish their operations, have a period of stability in service delivery and for handover before the conclusion of the contract (when a new provider is selected).
- Skills transfer: commissioning processes should have a strong focus on the transfer of skills and capacity to people and organisations in communities.
- Provider selection and taking account of the attributes of service providers: selection processes should take account of the attributes of service providers that contribute to achieving the outcomes sought, including culturally appropriate service provision, community engagement and governance, collaboration and coordination with existing service providers and community bodies, and employment and training of local and/or Indigenous staff.

Support was given for:

- Expanding community voice in program design and decision-making.
- Place-based approaches to service delivery. It was noted that many reforms have attempted to put these principles into practice, that place-based approaches can be resource-intensive, and that they require major changes in the way governments traditionally work with limited success. Overall, it was considered that there was scope for greater use of the approach, but that the approach is not practical everywhere.

Source: PC 2017a, pp. 235-6.

Based on our review of the literature and our consultations, this inquiry supports the direction of the Australian Productivity Commission's draft recommendations. The QPC's recommendation on expanding community voice throughout the policy or commissioning cycle, and the support for place-based approaches to service delivery, are important themes for this inquiry report.

<sup>24</sup> The final report was received by the government on 27 October 2017, and must be tabled in both houses of parliament within 25 sitting days of receipt (likely late March or April).

The Australian Productivity Commission’s reforms should help address a range of problems discussed in Chapter 5, including:

- reducing the compliance burden and uncertainty that arises from short-term contracting arrangements, combined with the fragmentation of funding sources
- re-balancing tender outcomes towards greater participation in service delivery by community organisations, where this results in improved long-term and broad community outcomes
- supporting better information to design and decision-making processes so that services can be improved over time.

More broadly, the reforms support development objectives playing a large role in the contracting of services:

*Underpinning many of these challenges is the sense that the contract management role has in many cases become too narrow. A more development approach may contribute to the success of organisations. (Queensland Family and Child Commission sub. 15, p. 2)*

However, application of the reforms is far from simple. In addition to the difficulties and resources required to check what is contracted is actually delivered (e.g. local employment outcomes), weighing-up potential impacts outside simple cost criteria is complex. For example, what is the 'value' of an additional local job and, if the supply bid is a higher financial cost than an alternative, is the additional job worth the cost? Similarly, what is the value of a long-term improvement in capacity of a community organisation? What benefits might accrue outside the community organisation?

If procurement officers are to make these types of complex judgements in awarding contracts for services in remote and discrete communities, then further guidance will need to be given than is contained in existing Queensland Government procurement policy documents, supported by training.

Despite the difficulties in making these assessments, and the risks of introducing such judgement calls into procurement decision making processes, such reforms should be considered given the challenges in communities:

*Taking into account the capacity of service providers to achieve outcomes in remote Indigenous communities would increase the quality, responsiveness and efficiency of services. Governments might face higher administrative costs for assessing tender applications, and potentially higher costs of service. However, the potential for better outcomes means that the benefits are likely to exceed the costs. (PC 2017a, p. 255)*

## 8.4 From supply- to demand-oriented models of service delivery

### Empowerment and what is meant by ‘consumer’

There is broad support at the community level as well as in recent inquiries for demand-oriented or -driven reforms:

*The current funding regime in Indigenous affairs is almost entirely supply-driven. Public funds are centrally directed by Canberra, Darwin and so on, to address the huge array of Indigenous need in a too-often indiscriminate and incoherent way—with very little regard to the views of Indigenous people about their development needs, and no direct feedback loop that results in improved service delivery. It is not a demand-driven system. It is a supply-driven system that shows signs of having been captured by the suppliers. (Empowered Communities 2015, p. 52)*

*In order to create demand-driven markets, avenues are needed for services to be 'bought' by Indigenous people instead of 'provided'. Indigenous people need to be in the funding food chain as the purchaser or co-purchaser. It is the person who holds the purse strings or the contract who also holds the power over the provider. (p. 66)*

Demand-driven reforms include terms such as, 'consumer'- or 'user'-based reforms. These terms can have negative connotations in some of the Indigenous literature and dialogue. However, there is, in part, a misunderstanding of what is meant by policy approaches that use these terms, with some of the misunderstanding likely due to poor explanation and application of policies.

Consumer-oriented reforms over previous decades sought to focus attention on the 'consumer' as opposed to focusing policy on the 'producer'. These reforms were in response to longstanding protectionist industry policy that sought to 'assist' businesses, often to the detriment of citizens. Reforms put businesses under greater competitive pressure, to provide stronger incentives for businesses to focus on, and respond to, the needs of consumers (that is, Australian citizens who purchase (consume) a good or service).

In market relationships, an unsatisfied customer can choose to spend their money elsewhere. 'Customers' can penalise poorly performing businesses by denying them their custom. The ability to 'deny custom' puts power in the hand of consumers and penalises businesses who do not perform.

In service provision to communities, the services provided, the qualities of the service, its timeliness and so on, are largely driven by service providers (producers), including governments. An Aboriginal or Torres Strait Islander person (the customer) has little ability to influence the quality of the service.

All consumer, user, or contestability reforms are fundamentally about re-balancing the relationship between service providers (producers) and users of the service (customers). Reforms can include measures to support customers who are potentially vulnerable.<sup>25</sup>

Compared to demand-driven models, supplier-driven models centralise authority over resource allocation decisions, including what types of services are provided and who gets them. Therefore, supplier-driven models can increase conflicts between groups of people in a community as they vie for influence over who benefits from the limited pie of funding available.

Demand-oriented reforms to funding arrangements can be an important element of empowering Aboriginal and Torres Strait Islanders in their relationships with service providers and governments:

*When applied to remote services, notions of empowerment are useful as a way of describing a transition from service delivery that is entirely supply-driven to one in which users of services are active in planning, defining and choosing services. This represents an important repositioning of the service user in a way that is increasingly common not only in international development practice but also in industrialised countries. (Fisher 2011, pp. 10–11)*

---

<sup>25</sup> A program example is the National Disability Support Scheme (NDIS) Quality and Safeguarding Framework. Some of the features of the framework include provider registration and quality assurance, a complaint handling system, advocacy services and systems for detecting fraud and verifying that supports have been delivered. There are also existing general support mechanisms, such as, the Public Guardian, the Public Trustee and the Office of the Public Advocate. The Public Guardian acts as substitute decision maker of last resort for adults with impaired decision-making capacity in relation to accommodation, health care, legal (not related to finance or property) and other personal matters. The Public Trustee acts as substitute decision maker for their financial matters. The Public Guardian and the Public Trustee can investigate individual complaints and allegations. The Public Advocate protects and promotes the rights, autonomy and participation of Queenslanders with impaired decision-making capacity through systemic advocacy.

## Types of demand driven models

### Community engagement as a form of a demand-driven model

One of the benefits of real community engagement is that it can help provide information on the type of services that are valued, the characteristics of those services, and the relative values placed on alternatives. Therefore, community engagement reforms represent one way in which to increase the ability of the demand-side to influence the services supplied.

However, consultation, even done well, is not a replacement for the real shift that occurs through devolving control over expenditure. It is only when people fund and make decisions on how to spend money that real preferences and opportunity costs are tested and revealed. Attempts to better coordinate centralised service delivery are a poor substitute for the coordination that occurs in demand-driven models operating more like normal markets.

### User-driven models with funding direct to the individual

One approach to increasing the role of demand in guiding service delivery is to transfer resources directly to individuals living in communities, rather than funding agencies to deliver services.

Several instruments could be used, including:

- Voucher systems—government can provide vouchers to individuals or families for the purchase of specific services. Restrictions can be imposed, such as, the vouchers are only redeemable by organisations that are accredited suppliers. Vouchers are a flexible mechanism that could be used for many different types of services (Box 8.6).
- Individual or family accounts—government can make deposits to individual or family accounts earmarked for specific purposes. An overseas example in the education space is Education Savings Accounts (ESAs). Under ESAs, a family receives a deposit of public funds into government-authorised savings accounts with restricted, but multiple, uses. Those funds—often distributed to families via debit card—can cover private school tuition and fees, online learning programs, private tutoring, community college costs, higher education expenses and other approved customised learning services and materials (edCHOICE n.d.).
- Tax credit and deduction approaches—the tax system can be used to refund all or part of monies spent on specific services. Assuming an individual or family has the financial resources to pay for a service up-front, a credit or deduction can later be received through the personal income tax system.

These types of approaches would help individuals choose services that best fit their needs and better align incentives between those who provide services and those who receive them.

## Box 8.6 The role of vouchers

### Empowered Communities

In the ideal case, the purchaser should be the consumer in order to lead to more rational decision-making and use of funds. If, for example, this were the case for the construction of new housing in remote areas, more rational decisions would be made about delivery. No one would want to pay \$500,000 or more for the cost of the houses in these locations, yet this is roughly the cost to government and the taxpayer for housing being built under the \$5.5 billion investment in remote Indigenous social housing under the National Partnership Agreement for Remote Indigenous Housing.

In order that the purchaser of services could be the Indigenous consumer more often, the use of a voucher system should be considered wherever possible. These vouchers could be for individuals or households—for example, to replace existing Indigenous Business Australia home loan subsidies. In this way, rather than having to rely on a monopoly government lender to access a subsidised home loan service, Indigenous people could access their home loan subsidy as a voucher, so that it is portable and can be used to help them access finance through mainstream banks (in the same way that the first home owner grant was portable, for example).

This would increase the purchasing power of the Indigenous consumer and remove the monopoly of government as both purchaser and provider of the Indigenous home loan subsidy. It would also establish mainstream banks in the position of lender; these banks will provide a reality check about the scope for private sector lending on leases on Aboriginal land and the new or additional policy responses that may be needed to ensure that titles are transferable.

### The Forrest Review

The Forrest Review recommended that, in order to create job-specific employer-directed training, the Australian, state and territory governments, as joint regulators and funders, introduce vouchers for employers redeemable at education providers to replace all funding for the vocational education and training system, particularly the TAFE system.

Vouchers were seen as a mechanism that could be used to address the problem that the VET system is a supplier-driven system and is not providing the training needed to assist Indigenous people into real jobs. The proposal was to have a voucher-based system in which the funding is tied to the individual Indigenous person based on need, and in which the voucher can only be redeemed by the training provider once the employer has referred the job seeker to them.

Vouchers could assist with achieving a contestable VET funding model:

*The LGAQ fully supports an industry driven, fully contestable model of VET funding and delivery that is directly and demonstrably tied to job outcomes. (LGAQ sub. DR012, p. 15)*

Sources: *Empowered Communities 2015, p. 66; Forrest 2014, p. 161.*

However, the principal limitation on this approach is the small scale of communities, which means that there is often limited scope for alternative suppliers to be financially viable when operating within the same product market for a good or service. Putting money in the hands of people gives power when there is choice. But, if there is only one viable supplier in the community, then there is no choice.

That said, while there may be only one viable supplier of a service in town, a community resident can choose to spend the money on an alternative good or service (if the funding arrangement permits such choice). So, local residents are able to exercise a degree of discipline even on a monopoly supplier when they have the financial resources to reject the service and deny funding to the supplier (at least in the case of non-critical services).

Further, the perception that there is limited scope in the practical application of user-driven demand models in smaller discrete communities is not necessarily accurate. Market responses and innovativeness (that is, the actions of individuals motivated to voluntarily solve problems and achieve change) cannot be predicted. This means that how things might be done differently when power is devolved cannot be determined by a centralised authority.

Where there is limited choice in a community, putting money in the hands of people receiving services may still result in benefits in terms of supporting their ability to develop the capacity to responsibly manage funds; and providing greater funding transparency, particularly in that individuals gain a greater awareness of the level of funding required to provide services. Under supplier-driven service models, people may see service as a ‘free good’, even though they are costly to governments and taxpayers to provide.

### Local councils and/or community organisations as an intermediary

As an alternative to providing financial resources directly to individuals, funds can be directed to representative community organisations which then act as a purchaser on behalf of a group of residents demanding a service. Where there is only one viable supplier, the aggregation of funding gives some degree of purchasing power to residents (there is a re-balancing of power towards those whom the service is intended to serve).

## 8.5 Aligning incentives and rewarding progress

### Accountability, transparency and performance monitoring

There is significant interest in communities in improving the accountability of governments and service providers to communities. Government themselves also share this interest. However, there is little evidence of any improvements in downward accountability to communities:

*Reforms introduced since the late 1990s and entrenched by successive governments have failed one critical test. Public finance management arrangements should enable, rather than limit, the domain of substantive political representation and the accountability of territorial authorities to the constituents in their jurisdiction. Vertical accountability upwards to the source of funds is important, but this should not come at the cost of primary accountability, downwards to constituents. Public finance systems need to foster accountabilities between Indigenous political leaders and their organisations responsible for delivering services, and likewise, promote relationships between Indigenous organisations and Indigenous citizens based on agreements about rights, obligations and responsibilities of both parties. (Moran et al. 2014, p. 42).*

Increasing transparency in funding and the outcomes achieved can help communities apply pressure for services to be improved:

*Whilst service providers may have to acquit their funding to relevant government agencies, there appears to be little or no requirement for them to report program progress or outcomes to the council or community in which they are operating. Without any formal reporting requirements specified within Service Provider contracts, communities have no way of knowing what they are contracted to deliver or the effectiveness of the service provided. Accordingly there is a disconnect between what the service provider reports to government and what the community perceives on the ground. (Local Government Association of Queensland sub. 14, p. 5)*

Likewise, increased upward accountability to governments can help governments achieve better outcomes from their commissioning of services.

Some of the requirements for improved accountability and transparency, include:

- basic data on service provision and the level of expenditures made publicly available
- community involvement through the policy cycle, including in performance management
- improved performance management systems, which in many cases means actual or better implementation of the intention of existing policies (Box 8.7).

### Box 8.7 The need for improved performance management reporting

In Queensland, public sector entities must comply with the requirements for monitoring and reporting non-financial performance information set down in legislation and in the Queensland Performance Management Framework (PMF).

The Queensland Audit Office (QAO) 2014 undertook a review of the monitoring and reporting performance of agencies, including reporting on effectiveness and efficiency as part of agency accountability obligations.

The QAO found that reforms to agency Service Delivery Statements (SDS) had yet to deliver on their promise to support accountability and inform policy development and implementation. The service standards reported by the majority of departments and service areas fell well short of being direct measures of the efficiency or the effectiveness of the services they deliver.

Two common missing elements—management commitment and externally imposed reporting imperatives—established a clear dichotomy between the better practice departments and those lagging in this area. The QAO recommended departments publish audited performance statements in their annual reports to complement their audited financial statements.

Source: QAO 2014.

## Rewards-based service delivery models

There is broad community acknowledgement of the need for funding to be more closely linked to performance. Communities want mechanisms that support improved accountability:

*[A]s government-funded service providers exist on the public purse, so like the rest of us they must be prepared to be paid on results. Certainly the practice of simply funding process, without putting payment at risk and rewarding results, must stop. Publishing outcomes for public benefit is therefore essential. (Forrest 2014, p. 10)*

Rewards-based models can better align the incentives facing suppliers with the needs of those receiving services, and with the needs of funders to ensure value for money in purchasing services.

The Queensland Government is undertaking several service delivery pilots that attempt to more clearly link financial rewards with outcomes for the provision of a service. For example, Queensland Treasury has coordinated the introduction of Social Benefit Bonds (SBBs) in Queensland.

An SBB is an outcomes-based arrangement involving the government, private investors, potentially a financial intermediary, and a service provider. While an SBB can take many forms, there must be an intentional, pre-determined social impact as an outcome of the investment. An SBB involves:

- private investors providing the initial capital to cover the cost of delivering a service (or an intervention) by a service provider to improve or deliver a defined social outcome

- service provision or intervention that is aimed at early intervention or prevention to avoid or limit the severity of the social issue for the people in the target population
- the government paying private investors their principal investment and a financial return if the agreed social outcome has been achieved and verified, at the end of the contracted period (which can be 5 to 10 years) (Queensland Treasury 2015, p. 1).

SBBs can increase investment in early intervention and prevention, which, if effective, can reduce future demand for acute and crisis services and free up public funds for other priorities. SBBs have the potential to support innovations in service delivery by being focused on results, not on prescribing a specific service—enabling service providers and investors to be flexible in designing new services or interventions.

Three SBBs have been awarded and are being used as pilots in Queensland (Box 8.8), with the NEWPIN pilot having a focus on Indigenous families. The NEWPIN pilot will be located in Cairns, with two other locations to be determined. Some features of the Queensland NEWPIN pilot include:

- Approximately 200 parents with 560 eligible children will be referred to the program over five years. Most participating families will be Aboriginal families.
- An estimated 230 children will be reunified with their parent(s) based on a reunification rate of 41.5 per cent.
- An estimated 140 incremental reunifications will occur above the counterfactual reunification rate of 16.5 per cent.
- Collectively, it is estimated that over 1,000 years of out-of-home care (OOHC) will be avoided.
- State savings (financial) generated from reductions in OOHC are estimated at \$58 million.
- Further benefits will be flowing from positive outcomes for participating parents and children.
- \$26.5 million will be paid to UnitingCare Queensland under the terms of the Implementation Agreement.

## Box 8.8 Queensland Social Benefit Bonds pilots

In 2017, the Queensland Government launched three social benefit bonds.

### **NEWPIN**

The NEWPIN (New Parent Infant Network) program reunifies children living in out of home care with their families. It is hoped that around two-and-a-half times more children will be reunited with their families than would occur in the absence of the NEWPIN program. The program will be run by UnitingCare Queensland (UCQ) in three regions.

The NEWPIN program is based on the model that underpins the NSW NEWPIN SBB, and will focus on working primarily with Aboriginal and Torres Strait Islander families. It is an 18-month centre-based program that has been designed to strengthen family engagement, and has an established track record in successfully ensuring that more children can live safely with their families.

Payments will be made to UCQ by the Queensland Government based on the incremental number of children successfully reunited with their families. The level of these payments will be reflected in the investment returns generated by the Qld NEWPIN SBB.

### **Reducing reoffending rates for young Queenslanders**

An Implementation Agreement was signed on 31 May 2017 by the Queensland Government and service provider, Life Without Barriers, for Queensland's second SBB pilot. Up to 550 young people, 10–16 years old, who have been determined to have 'moderate, high or very high' risk of reoffending, will be referred to the program by Youth Justice over five years. This Multi-Systemic-Therapy program will work with the family unit to deliver improved family functioning and parenting skills, higher rates of school participation and reduced substance abuse. The service is also based on the premise that early intervention can reduce both severity and duration of future offending behaviour. The service commenced in October 2017 in two locations—covering an area in South East Queensland that stretches from the Sunshine Coast in the north, to the Gold Coast in the south.

### **Young people at risk of homelessness**

The YouthCONNECT program, to be run by Churches of Christ in Queensland, is the Queensland Government's third SBB pilot. It is intended to support young people aged 15 to 25 who are exiting or have exited statutory care and are homeless or are at risk of homelessness. The program supports the development of better coping skills to improve life outcomes and sustain long-term health and wellbeing into adulthood, building resilience and ultimately reducing the risk of future homelessness. Two services will be operating in Queensland by late 2017, one in south east Queensland and the other in Townsville.

*Sources: Queensland Treasury 2015; Social Ventures Australia 2017.*

There are a range of potential benefits of SBBs (Table 23), including that they can support the delivery of wrap-around services that would normally require significant coordination across agencies.

**Table 23 Potential benefits of Social Investment (Benefit) Bonds**

Potential benefit	Description
Crowd in private funding	SBBs crowd in funding from the same private investors that typically contribute to social services through grants, and/or impact bonds bring in new and different types of investors, which adds to the total amount of private funding for social services.
Prioritise prevention	SBBs tend to focus on funding preventive services, rather the traditional remedial interventions. Preventive services reduce or eliminate negative social outcomes and potentially high remediation costs for both the public and private sectors in the longer term.
Reduce risk for government	Since governments pay for services only when outcomes are achieved, they can avoid several types of risk including budget management risk, or paying for services without getting the outcomes they hope to achieve, risks associated with innovative approaches that have not been tested, as well as risks associated with taking promising pilot or small-scale programs to scale. Governments are typically reluctant to take these risks, which can limit innovation in services. By shifting the risk to the investor and paying only when outcomes are attained, public funds can become instruments for innovative solutions without the risk.
Shift focus to outcomes	SBBs encourage stakeholders to focus on the achieving social outcomes by paying for success. This differs from the bulk of social service financing and provision, which often does not consider how effective programs are in delivering outcomes.
Foster innovation in delivery	SBBs can facilitate the introduction of new ways to provide services from the start of an intervention, support a better ability to innovate and adapt along the way, and better apply innovations from elsewhere (help diffuse new ways of providing services).
Drive performance management	SBBs might drive improved performance management, which in turn leads to the achievement of outcomes. SBBs bring in private sector expertise in performance management and release non-profits from the hold of rigid government contracts.
Stimulate collaboration	SBBs might stimulate collaboration across stakeholders through fostering cooperation across different types of players in the public and private spheres, and/or through breaking down silos and bringing together players from across government agencies.
Sustain impact	SBBs might better produce sustained impacts through: providing for multiyear contracting, which differs from the typical short-term contracting used by agencies, allowing for more continuous and reliable services; providing a demonstration effect of the benefits of preventive services which can foster longer-term government commitment to a social challenge; and supporting a major shift in how governments view performance management, achievement of outcomes, and monitoring and evaluation systems.

Source: Gustafsson-Wright et al. 2015.

However, while SBBs may have the potential for these benefits, they may not be achieved in practice. Some criticisms of SBBs include:

- SBBs involve complex contractual arrangements and multiple stakeholders. The real transfer of risk can be unclear (see Disley et al. 2011; The Economist 2012).
- SBBs involve high administrative and compliance costs for all parties involved (Gustafsson-Wright et al. 2015).

Hudson (sub. 21, p. 4) noted that '[s]ocial impact investing may not be appropriate for all programs and there is recent evidence which suggests that it can involve increased transaction costs without any appreciable benefits in terms of improved outcomes' (based on Edmiston and Nicholls 2017).

Given the complexity of arrangements and other advantages external NGOs tend to have in tender processes, it is likely that external NGOs will dominate competitive tender outcomes for the provision of an SBB service mainly servicing Indigenous people. However, as the market for SBBs grows in Australia, this may not be the case. SBBs could also be used under a more devolved funding framework.

As SBBs are still relatively new, the evidence on whether or not they are a useful policy tool is accumulating. A supporting study to the recent *Remote Housing Review* investigated the scope for applying social investment approaches in the remote social housing space. The Review concluded that:

*... impact investment financing is indeed worth developing in the social housing area, but that much greater prospects exist in regional or urban social housing, where there are more aspects of potential market returns present. (DPMC, pp. 73–74)*

If the Queensland Government's pilots are successful, SBB funding could be scaled up and applied more broadly.

## 8.6 Support for 'holistic' service delivery

### Coordinated services

Coordinated services can reduce complexity and enhance service quality (Flaxman et al. 2009). By facilitating referrals and cooperation between services, coordination can 'improve the connections between services or between people and services to improve outcomes for individuals, families, communities and societies' (Leigh 2008). Coordination might take place at the personal, organisation, community or regional level—for example, integrated, case-managed and place-based services.

### Case-managed and integrated services

Integrated service delivery involves service agencies working together to collaborate and coordinate their support, services and interventions to clients. They generally focus on clients, or client target groups, who have complex needs requiring services from several agencies. At the personal or organisation level, services can be integrated in a case-managed or holistic response. Linkage of Indigenous individuals and families with services and providers can be assisted by involving Indigenous staff, who often have the advantage of pre-existing contacts, local knowledge and established, trusting relationships (Bainbridge et al. 2015; Chaney 2012).

Child and Family Centres are an example of integrated early childhood, parenting and family support, and child and maternal health services for Aboriginal and/or Torres Strait Islander children and their families. Strait Start provides integrated early childhood services in remote areas of the Torres Strait (Box 8.9).

Strait Start is further discussed in Chapter 15.

## Box 8.9 Strait Start

Strait Start is:

- a locally developed early childhood education program for children from birth to pre-pep
- delivered in communities by trained community members.

It supports development of children's motor and cognitive skills, language and literacy, general knowledge, social and emotional development, independence and self-efficacy.

Much of the reduction in the number of developmentally vulnerable children in the Torres Strait has been attributed to the Strait Start program. The program has strengthened community support structures and helped build the confidence of adults in their role as parents.

Source: TSIREC sub 8, pp. 19–24.

Wraparound services and case management are examples of integrated services. Wraparound services work to address multiple factors through collaboration with family members, other natural supports and service providers to develop, implement and evaluate an individualised plan of care. The Cape York Wellbeing Centres are an example of wraparound services that address issues such as drug and alcohol misuse, gambling, family violence and mental health and wellbeing. Case-management approaches can bring together family, community and integrated services to provide preventive support to offenders (Box 8.10).

## Box 8.10 Prisoner Throughcare services

Prisoner Throughcare services:

- are delivered by the Aboriginal and Torres Strait Islander Legal Service, a community-based organisation established to provide professional and culturally competent legal services
- aim to reduce recidivism and incarceration rates by supporting prisoners (pre- and post-release) through the delivery of intensive case management (throughcare) services
- target clients who are considered at high risk of reoffending, and work in collaboration with stakeholders including family and community members.

Throughcare data and client satisfaction surveys indicate a responsive, effective program.

Sources: Consultation session notes; ATSILS n.d..

## Place-based development approaches

Place-based service delivery models revolve around each community, and can cut across boundaries of jurisdictions, departments or programs. They involve cross-sectoral participation in the design of community services, tailored to the local situation and realities on the ground (Chaney 2012; QCOSS 2013). An effective place-based approach gives greater priority to community-led-and-owned needs assessment and planning, decision-making and accountability.

A place-based focus emphasises what is needed within a community, and can build a community's capacity to identify and develop responses to issues. QCOSS highlighted that:

*Recognising and harnessing existing community capacity and leadership, and properly resourcing and supporting remote and discrete Aboriginal and Torres Strait Islander communities in planning, designing, delivering and evaluating service delivery is integral to developing a service system shaped by, and oriented towards, the aspirations and needs of local communities. (sub. 18, p. 2)*

Place-based approaches (involving flexible funding arrangements under longer-term agreements) can help address impediments to change:

*... the current system of funding and programs has created powerful vested interests, and there will be very real consequences in terms of job losses [flowing] from such decisions. So even if things are clearly not working well, people tend not to want to let a program go. There are incentives embedded in the current system that work against the changes that are needed being enacted. At the community level too, people will generally not want to let a program go unless they can be assured that the funding will stay, and can be spent in their community in another way. This is why a place-based approach is needed that provides funding certainty at the existing level over the long term. (CYI, sub. 26, p. 11)*

Place-based approaches supported by pooled resourcing can help address some of the complex development problems facing communities:

*There are a number of ways in which Australian governments could promote commercial fishing by Indigenous Australians. Any policy initiative to do so through the reallocation or setting aside of fisheries resources will, however, be at the cost of access by other fishers. More fundamentally, experience in Australia has demonstrated that policy initiatives aimed at creating development and employment opportunities for Indigenous communities often fail because they do not incorporate the broader prerequisites for success. These include closely involving the community in designing and implementing initiatives, as well as investing in education, training and broader capacity-building. In other words, access to a fishery is only likely to generate positive and sustainable economic benefits and employment for an Indigenous community (presuming that this is indeed the best way of encouraging economic development) if it is part of a broader, multifaceted strategy in which the community is actively involved. (PC 2016c, pp. 183-4)*

High levels of coordination are needed across levels of government and policy areas if the unemployment problem is to be seriously addressed. Place-based approaches can achieve a higher level of policy coordination/integration across the income support and service delivery system. This can both help address participation incentive problems and better link people with the help needed for participation.

Palm Island Community Company (PICC) was established as a partnership between the Queensland Government, the Palm Island Council and the local community (Box 8.11).

## Box 8.11 Palm Island Community Company (PICC)

### Background

PICC was formed in 2008, in response to concerns about a crisis in governance and service delivery in Palm Island. The company model created a partnership between the state, the council and the community, while balancing requirements of accountability, flexibility and independence.

PICC delivers community-driven programs aimed at supporting and strengthening the social, cultural and economic fabric of the Palm Island community. PICC programs include family support hub, disability services, Community Justice Group, Safe Haven services, PICC Safe House, Children and Family Centre, Diversion services, and Women's services.

PICC also operates retail shopping businesses including a bakery, mechanic and community retail shop. PICC employs around 92 local Aboriginal and Torres Strait Islander people (85 per cent PICC workforce).

### Review of progress

A review in 2011 concluded that PICC had established a solid foundation for sustainable improvements in the delivery of services on Palm Island. Core features underpinning the success of the PICC are:

- a formalised partnership between government, the local Council and the community
- an independent board of directors able to provide good governance, strategic direction, financial stewardship, mentoring and capacity building
- a professional management structure able to provide guidance, mentoring and intensive capacity-building to local service coordinators and staff
- a service delivery model that coordinates related services for families, women and young people.

Source: Limerick 2011.

The PICC model has some features that make it an attractive model for delivering services in discrete communities. However, a key challenge is balancing community ownership with the bringing in of outside expertise:

*the single most critical challenge for implementing a PICC-like organisation is how to maintain and build a sense of community ownership of the organisation at the same time as bringing in the outside expertise (in the form of board members and managers) that will assist with good governance, strategic direction, mentoring and capacity-building in the community. (Limerick 2011, p. 8)*

Concerns with this type of model include the scope of PICC operations, making the company in many ways a large monopoly service provider. For some of the services it provides, there is an alternative service provider, but compared to a model in which a range of independent community organisations provide services, the model significantly concentrates power in the community. This is reinforced by the concentration of power in council hands—in all discrete communities—and the absence of significant private sector activity. Consultations also raised concerns about the scope of PICC activities expanding to commercial enterprises (the bakery and auto-mechanics).

Previous attempts in Australia to roll out models that have been successful in one community to other communities have often been unsuccessful. Therefore, any process of changing the model of service delivery in other communities would need to closely involve those communities, as they will be best placed to know what aspects of PICC could work and what aspects might not.

## Extending the ACCHO model to other policy areas?

The Aboriginal community-controlled services sector has grown since the 1970s. Now, many community-controlled organisations deliver services for their communities in areas such as health, housing, community and welfare services. Aboriginal Community Controlled Health Organisations (ACCHOs) exemplify a successful community controlled model. With commensurate and secure funding arrangements, ACCHOs are an effective model for governments to rethink the way they work with Indigenous communities.

### 8.7 Building capabilities and ongoing support

The reforms discussed in this chapter are intended to empower individuals, so that they can transform their future. Achieving the reforms will require that communities and government agencies are supported so that they can effectively participate in designing and delivering the transformation.

Experience overseas emphasises the importance of investing in Indigenous governance capacity (Bauman et al. 2015; Tsey et al. 2012). Ongoing government support—including human, financial and physical resources—has also been highlighted as a precondition for success by the Steering Committee for the Review of Government Service Provision (SCRGSP 2016a).

Governance capabilities and other skills that need to be further developed include:

- leadership and management skills
- general governance and administration skills
- project management
- managing for performance
- literacy and numeracy.

Critically, the need to build capabilities also applies to the public sector. One aspect of capabilities is cultural capability. Cultural capability of the government sector is essential to engage effectively with communities to ensure their perspectives and needs are reflected in policy, service delivery, and in the workplace. For example:

*[A]gencies need to be culturally capable to successfully partner with other governments and non-government organisations in service delivery and partner with the community for better outcomes ... means increasing cultural leadership, capacity building and cultural capability of how services are delivered. (Queensland Government sub. 27, p. 16)*

Importantly, capability building in government and the public sector extends beyond culture awareness. It includes the capacity to think differently about problems and the role of government, such as, the willingness to take an enabling approach. It includes funding arrangements and the development of institutions that maintain legitimacy with communities, and builds on local strengths:

*Recognising and harnessing existing community capacity and leadership, and properly resourcing and supporting remote and discrete Aboriginal and Torres Strait Islander communities in planning, designing, delivering and evaluating service delivery is integral to developing a service system shaped by, and oriented towards, the aspirations and needs of local communities. (QCOSS sub. 18, p. 5)*

*Behavioural and institutional change must be a key focus for all involved parties. Investing in agencies staff to understand their revised role – rather than just another 'change' but the same behaviour/attitudes – must for a part of this to be successful. (Joint YASC & YLF sub. DR14, p. 14)*

## 8.8 Conclusion

The recommended directions for policy reform support the empowering of Aboriginal and Torres Strait Islander peoples by giving them a greater voice in the services delivered in their communities. They redefine the role of government to more of an enabling role.

The reforms promote greater transparency, accountability and alignment of incentives as a means of achieving improvements in service delivery outcomes. They support increased use of performance-based and place-based instruments and approaches where these are viable options.

These reforms could reduce the prevalence of problems that require intensive services in the longer term. The reforms should improve the effectiveness and efficiency of service delivery for those services that will continue to be required. Therefore, governments should achieve better value for money and communities should see outcomes more in line with their expectations.

The reforms are consistent with the thrust of reforms in the following chapter on economic development. They support both capability building at a local level and an incentive framework more aligned to community development needs.

The recommendations provide a focus around which bipartisan support can be built. Given the chopping and changing nature of Indigenous policy reforms, it is important that efforts are put into building a consensus around the reforms before agreeing and implementing changes.

---

### Recommendation 4

The Queensland Government should implement policy, funding and service models that support longer-term developmental objectives and are responsive to the needs of Indigenous people, including:

- service models where individuals retain control and responsibility, for example, demand-driven models and user choice
- community-controlled service delivery
- funding reforms that provide flexibility and autonomy, such as pooled funding, untied grants, block funding and extended contract lengths, with a risk-based approach to compliance and reporting obligations
- performance- or rewards-based funding models
- place-based and case management initiatives that cut across service delivery areas
- approaches that support and enable the governance capacities of Indigenous organisations and individuals.

These instruments will apply to a wide range of service delivery, but need to be used where they are most likely to be effective.

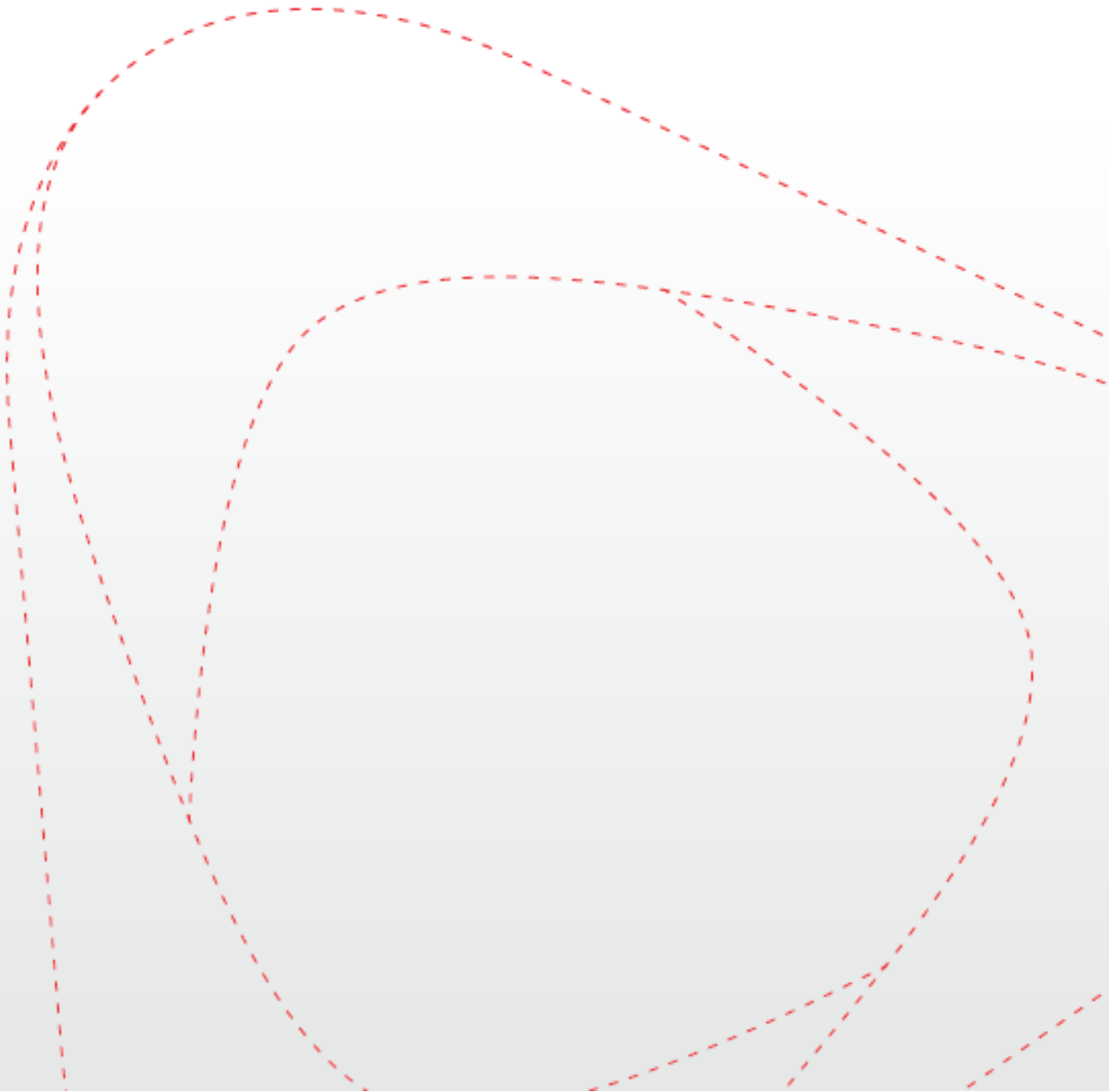
### Recommendation 5

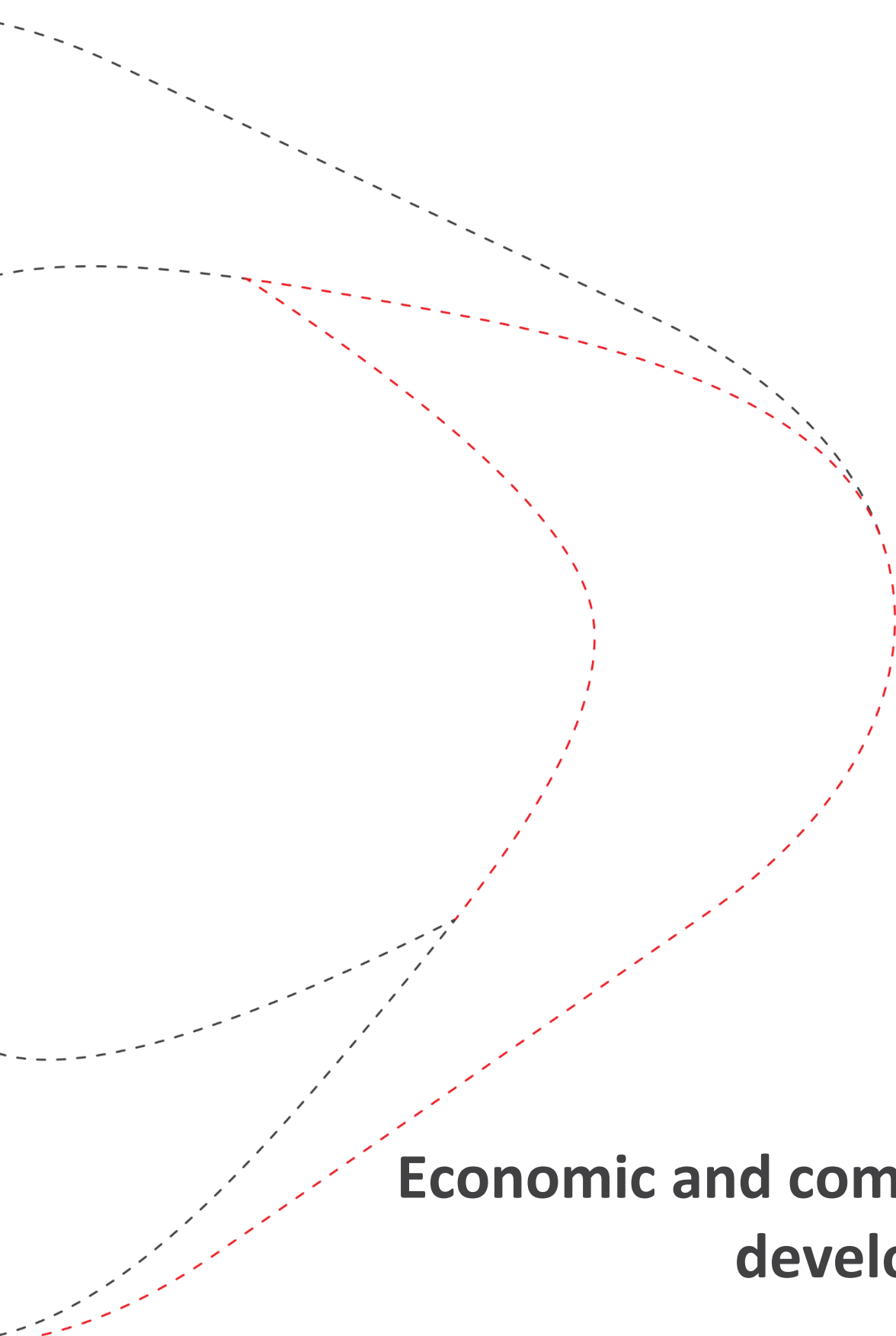
Where the Queensland Government contracts for service delivery, it should incorporate longer contract terms and requirements for skills transfer to communities; and evaluate bidding organisations' ability to support capability building in communities and the outcomes sought.

## Recommendation 6

The Queensland Government should continue to shift from a provider role to a funding and purchaser role. Agencies should increasingly seek to involve communities in purchasing as an active participant.

---





**9.0**  
**Economic and community  
development**

*This chapter highlights the importance of economic and community development for improving the living standards of Aboriginal and Torres Strait Islander people. The chapter examines the link between economic development and service delivery, changes in thinking that are required to support development and the role of government in getting framework conditions right.*

## Key points

- The lack of economic development and opportunity is an underlying driver of community dysfunction and ongoing reliance on government support. Development is needed to drive the creation and accumulation of wealth within communities, provide employment and reduce welfare dependency and associated problems.
- Discrete communities developed from mission and government protector eras and are not based on local economic opportunities and comparative advantages. However, the potential for development may be greater than current conditions suggest, as many prerequisites for development have long been missing.
- The approach to the relationship between Aboriginal and Torres Strait Islander people and government needs to change. The role of government needs to shift from service provider or 'fixer of problems' to 'enabler'.
- When a policy or service is designed, an important consideration should be that the policy or service supports development, or at least does not impede it.
- Government should not intervene in communities in a way that displaces or crowds out local investment in, and ownership and control of, commercial activities, including retail stores.
- The income support system is intended to help alleviate poverty. The effect of the system—as opposed to its objectives—is to weaken the incentives to transition from education to work or from welfare dependency to work.
- A step-change in individual and institutional incentives is needed. Achieving the changes will require coordinated policy responses led by communities working in cooperation with the Queensland and Australian Governments. As many incentive problems are generations in the making, solutions require long-term policy commitment.
- The inquiry's proposed structural reforms can incorporate a place-based approach to development, and are a suitable framework for coordinating policy to achieve the needed changes in incentives.
- Given the severity of the unemployment problem, employment outcomes need to be improved through economic development, improved support for mobility and employment substitution strategies.
- The Queensland Government has in place policies to increase the Indigenous employment share in the public sector. Monitoring of progress needs to be more transparent and detailed.

Economic and community development is needed to drive the creation and accumulation of wealth within communities. Development will improve both economic and social outcomes through providing employment and reducing welfare dependency and its associated problems.

Many important development issues have been raised during the inquiry. Some are examined in this chapter, such as:

- adverse incentives created through state-funded provision of services
- how policy choices can unintentionally crowd-out investment and development
- supply-side and demand-side issues in achieving improved Indigenous employment outcomes.

Other chapters also examine issues where there is a large cross-over between development and service delivery:

- land tenure is a critical issue for development affecting the delivery of services and home ownership through to business investment and the development of industry (see Chapter 12)
- education and training prepares people for employment and provides other benefits in communities that impact on service delivery and development (see Chapter 15).

## 9.1 Why development is important for service delivery

### Aspiration for change

Consultations revealed a deep desire amongst Aboriginal and Torres Strait Islander people for greater economic opportunity. The lack of opportunity is a fundamental cause of community dysfunction and ongoing reliance on government support. The reliance on government money is seen by many as creating perverse incentives which, in turn, discourage enterprise and perpetuate ongoing dependence on services delivered and funded by government.

Economic development reduces the dependence of Aboriginal and Torres Strait Islander people on governments for their livelihood. Greater independence or freedom expands the range of choices available to individuals and their families, including the range and quality of services available.

A lack of economic opportunity is evident in the discrete communities. Cherbourg, a discrete Aboriginal community with a population of around 1,300 people, provides an example. It is located 6 kilometres from Murgon in the South Burnett region of Queensland. Murgon, a town of just over 2,000 people, has a commercial precinct, with a number of cafes, a shopping centre, hardware store, chemist and a range of other businesses providing services to the community and surrounding areas. Cherbourg does not have a main street. There are no shops, other than a very small takeaway store and funeral service, and the only services are those that are government funded.

### How economic development affects service provision

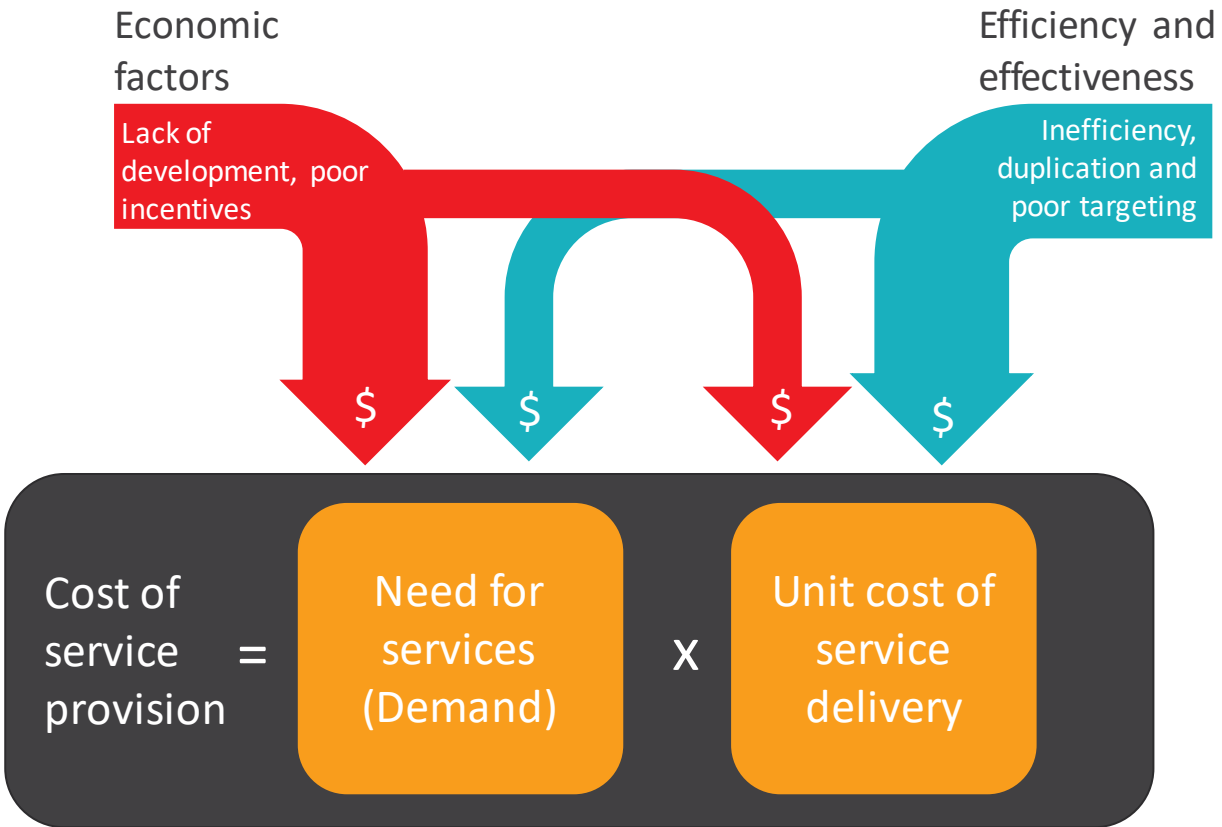
Expenditure on services to discrete and remote communities depends on the quantity of services and the average cost of providing those services.

Successful service delivery directly affects expenditure primarily by raising the efficiency of service provision. For example, services being delivered at lower cost while achieving the same outcomes, or services that better achieve their objectives for the same level of expenditure.

Economic development, on the other hand, has an indirect effect on service provision and mainly influences expenditures by reducing demand by improving wellbeing. At the same time, economic development and wealth creation increases the sustainability of communities and reduces reliance on externally provided funding.

Economic development will also have some influence on the cost of service provision through impacts on the efficiency with which services are provided (Figure 51).

**Figure 51 Economic development and service delivery programs**



Note: The figure depicts the financial cost to government and taxpayers and not a broader economic concept of costs. A larger arrow indicates the main mechanism through which the cost of service provision is affected.

## 9.2 Changing the approach

The relationship between people living in communities and governments needs to be reconceptualised. A re-framed relationship will affect how problems are perceived and the role of individuals, families, communities, councils, and the Queensland and Australian Governments in achieving improvements in standards of living.

Central to this change is a recognition that improved service provision will not solve the underlying problems in communities.

### Improved services will not solve the underlying problems

Providing services at lower cost, or providing services which better achieve targeted outcomes, does not address the underlying drivers of service demand.

Without economic development, communities will remain welfare-dependent and continue to live with the negative impacts of dependency and passivity. To a significant extent, this outcome depends on the choices of those who live within the communities. However, policies at all levels of government also have a large impact on the future viability and welfare of discrete communities.

There are many government policies with the objective of alleviating hardship. Income support payments assist with buying food, paying utility bills, and so on. But these policies change the incentives which influence the choices (where they are available) made by individuals and communities. For example, in terms of self-reliance, taking responsibility for one's actions, investing in one's own capabilities or the capabilities of children, deciding where to live and behaviours which affect the individual, family and community.

Some services can contribute to conditions supportive of development (for example, where services help stabilise community safety). Other services help prepare individuals for future opportunities (such as basic education). But, the basic problem remains that services could be tripled—which would provide some short-term positive results in terms of indicators—yet dependence would become further entrenched.

## Economic development is critical

Economic development is a necessary condition to significantly improve living standards. Without economic development, improvement in social outcomes will remain limited and cultural heritage will be threatened:

*Until the Indigenous people of Cape York can largely generate their own incomes they will be dependent on income transfers, where someone else takes all of the rights and responsibilities to make decisions and take actions on behalf of a relatively powerless people. Economic development is therefore closely linked to self-determination ... The reason for emphasising the importance of economic development is not that the economy is more important than cultural and social issues. It is that without economic advancement, Indigenous Australians are more likely to lose their heritage and identity. (Pearson 2005a, p. 4)*

In a local newsletter, the Mayor of Lockhart River Aboriginal Shire Council wrote:

*I think the biggest challenge for us, in Lockhart, is to get children to school.*

*And the other challenge is, when kids finish school, to get them into a job.*

*That's probably our two biggest challenges. (LRASC 2016, p. 4)*

Efforts have been made to provide local Indigenous people with jobs in government-funded services in their communities, but more remains to be done. In addition, there remains a lack of local economic development and private sector job creation which is needed to expand employment opportunities over the longer term.

## More wealth creation

Existing policies overwhelmingly focus on distributing resources and the cycle of servicing 'need'. Much of what happens in communities occurs in the public sphere. Significant growth in the private sphere (sector) and the community voluntary sector is needed, in absolute terms and relative to the size of the public sphere.

Remote and discrete communities rely on funding provided from outside the community for services provided within the community. This makes them dependent on the decisions and preferences of those providing the resources, and primarily means dependence on governments acting as an agent for taxpayers.

Dependence on others—the opposite of empowerment—can be reduced if Aboriginal and Torres Strait Islander people living in remote and discrete communities are able to generate their own wealth. Evolution of economic, political and social conditions at the local level is needed to raise the level of wealth generating activity occurring locally as the basis for sustainable increases in wellbeing.

While the problems in communities have been evident for decades, the weight of policy effort and resources remains directed squarely at (largely passive) service delivery. There are, however, encouraging signs. Recent community-led initiatives and some initiatives within governments are putting greater emphasis on economic opportunity and development. Some are explored throughout this report.

## Finding

Policy design and decision-making processes need to embed a number of changes in approach:

- a recognition that improved service delivery will not significantly reduce the underlying problems
- a greater focus on local wealth creation and the pursuit of opportunity
- Indigenous people becoming responsible for their own, and their family's, welfare
- a shift in the role of government, to more of an enabling role.

### 9.3 Viability and service delivery costs

Discrete communities have not developed based on local economic opportunities and comparative advantages.

This inquiry has not considered the long-term viability of individual communities, but has focused on things that government can do so that individuals and families are able to maximise their economic opportunities. However, the concept of viability and the implications for service provision are briefly discussed.

The question of viability may be viewed in terms of various considerations, including the ability of traditional country to provide healing or coping mechanisms for Indigenous peoples (Moran 2009). Viability can also be considered using a simple model which defines viability along two dimensions:

- an acceptable level of wellbeing—which should be set primarily by those living in the communities, but should also consider reference to the broader population
- an acceptable level of outside support—primarily determined by political decision-making processes in the Queensland and Australian Government (Cape York Institute 2005).

The lower the level of required outside support, and the higher the level of wellbeing, the more a community is economically viable.

For a given population size, development can reduce the aggregate cost of service provision to a community through, for example, reducing welfare dependency and social dysfunction, lowering the demand for many services. Development can also lower the average per unit cost of providing services (for example, where development results in a more skilled labour force that reduces the need for costly fly-in/fly-out services).

Given the high cost of providing services to any remote community (Indigenous or non-Indigenous), even with development the per capita cost of service provision to remote and discrete communities will remain high. Greater public acceptance of resource transfers to support communities is more likely if:

- there is a clear long-term objective or 'end-game'
- the public can see that progress is being made
- there are clear lines of accountability for the resources consumed in providing services.

## 9.4 Getting the economic framework right

To improve living standards of communities, development needs to be driven from the local level and from individuals and institutions acting outside of government.

There are key areas where Queensland Government policy is very important for development, particularly in relation to the broad range of policies that constitute the 'economic framework'. In this space, the Australian Government also has a large role to play.

Institutions and government policies establish the broad economic framework in which people and businesses make choices and act. This includes policies and institutions that establish property rights, raise taxes and influence incentives to invest in people, capital and knowledge. Getting the economic framework right is necessary to support investment and growth.

In 2005, the Cape York Institute (CYI) set out the conditions needed for development on the Cape (Table 24). At the time, there were major shortfalls in each of the conditions, such as, incentives for people to benefit from work and good infrastructure. Consultations for this inquiry indicated that these shortfalls also applied in non-Cape communities.

In the intervening 12 years, there has been progress on some prerequisites, such as land tenure. However, consultations also indicated that some problems may have become more 'locked-in' (see the discussion concerning NPARIH in Chapter 13).

**Table 24 Conditions for development**

Prerequisite	2005 status
Incentives for people to benefit from work	Welfare payments dilute incentives to work and study; obligations from family members can result in high effective tax rates; income management issues.
Incentives for people to be educated and healthy	Low levels of health and education infrastructure and service delivery; low returns on education.
Good governance	Governance and capacity issues of community councils; councils involved in many business-related activities.
Access to financial capital to build assets	Banking facilities virtually non-existent.
Good infrastructure	Areas are very remote; access to markets difficult and expensive.
Social capital/order (respect, trust, accountability, enforcement of law)	Law and order issues and social capital deficiencies.
Protection of property (legal protection of individual ownership)	Current communal land structures make individual land use difficult and hard to use as collateral; home ownership virtually non-existent.

Source: Cape York Institute 2005; Pearson 2005b.

There is a risk that greater government involvement in development, beyond getting the economic framework right, could be counterproductive. New development policies could easily lead to unintended consequences, impacting negatively on the momentum that appears to be building behind private and community-led development initiatives.

## Support for the pursuit of opportunity

Development requires a mindset which seeks out opportunity. To identify and pursue opportunities requires individual initiative and belief in one's ability to succeed.

Nurturing a culture which pursues opportunities encompasses opportunities for community development as well as economic development, such as through a healthier culture of voluntary participation in communities.

Both capabilities and incentives matter for the pursuit of opportunity and they are often interrelated. They can be improved by increasing the returns or rewards to:

- investments in human capital, such as education and training
- changes that improve service provision
- institutions supportive of economic development, for example, by better aligning financial incentives with the requirements of development
- business investment, including through reducing the risk of investment (for example, reducing sovereign risk in communities associated with uncertainty of tenure)
- economic participation, for example, the decision to supply labour and transition from dependence on income support payments to employment
- changes in personal behaviours.

## Progress in Indigenous business development

Achieving economic development and wealth creation means the ongoing development of an Indigenous private sector, with more people in remote and discrete communities engaged in private enterprise as owners or employees, and in voluntary activities in their communities. It means a smaller proportion of activity in communities is part of the process of external grants, public administration and service delivery.

There is significant potential for Indigenous business development and it appears that positive momentum is being built, with strong growth in the number of Indigenous businesses (Hunter 2013). A House of Representatives inquiry into Indigenous business development found support for a growing Indigenous business sector:

*Whether as individuals or community based enterprises, Indigenous people are increasingly seeking business opportunities. Some of this pressure may come from demographic shifts. Indigenous people are a young and growing population—more than 60 per cent are under the age of 25 years. They have a future focus on raising families, education, housing and jobs. Indigenous business mentors also report an entrepreneurial attitude among young Indigenous people: explaining that they have 'very little fear about going out and taking risk. (House of Representatives 2008, p. 11)*

Fitzpatrick (2017, p. 11) stated:

*It's boom time for Indigenous business, as positive procurement policies and growing corporate involvement encourage a new generation to engage with commerce.*

He identified many stories of successful Indigenous enterprises:

*Just one of a range of community development programs run to strict business governance models through the Alice Springs-based Central Land Council, WETT has directed \$18 million over the past decade into training, boarding school placement, student excursion and other educational activities that leverage resources ownership into community gains ... WETT founder Barbara Napangardi Martin, from Yuendumu, likens the approach to holding a protective umbrella over Indigenous policy-making, "It's a metaphor where government ideas are like the rain, and all those ideas are changing all the time, but with the umbrella we can keep our good ideas underneath, so the government can't ruin them". (Fitzpatrick 2017, p. 12)*

However, national trends may not be a good indicator of what is happening in Queensland's remote and discrete communities:

*Most Indigenous entrepreneurs or self-employed business people are in the south-east corner of Australia, where Indigenous education outcomes are better and where there is greater demand for goods and services ... Interestingly, the most successful Indigenous businesses, from a financial perspective at least, tend to be those that operate outside of Indigenous communities. (Hudson 2016b, pp. 4–5)*

## Removing obligations and celebrating profit

The creation and survival of an Indigenous business involves many challenges (Box 9.1). Some are common to any business, and some are more specific to an Indigenous business.

Growth in exports from communities is required for a significant improvement in a community's trade balance. Currently, communities import almost all the goods they require (food, vehicles, fuel and so on). Payment largely comes from taxpayer funding. Developing businesses which are capable of exporting to markets in the rest of Australia (including other communities) and overseas will significantly increase self-reliance.

## Box 9.1 Difficulties in establishing and running an Indigenous business

Communities often have valuable resources upon which businesses can be developed. They may be location, scenic or mineral rich land, art, and a unique culture. There may also be difficulties that prevent business development. Some are unique to Indigenous businesses and others are not:

- remoteness from markets, resulting in very high transport costs
- inadequate local and external commercial support services
- poor agricultural resources
- inadequate and uncertain capital funding
- communities may have goals for their businesses beyond profit maximisation. These typically include employment and training, autonomy, cultural maintenance and development, and caring for their land
- depending on the community and context, the Indigenous style of decision-making is non-authoritarian and consensus-based and this results in business decisions being made slowly
- community politics interfering with business decisions
- difficulties in gaining normal banking services such as loans and overdraft facilities
- lack of skilled labour and expertise, including managers and directors
- the businesses are small and there is a very high rate of failure amongst small businesses generally
- they are often new businesses and so there is no history or experience of that type of business in that environment (for example, a tourism business on Aboriginal land)
- where Indigenous people take over an existing business, the existing business is often run down and requires a lot of capital to redevelop it to industry standards (for example, cattle stations)
- because businesses often receive government financial support, they are subject to government requirements that are costly and are in excess of those required of a comparable non-Indigenous business
- lack of capital, especially for large projects such as pastoral, tourism and mining developments
- businesses are often not a local initiative, but an idea thrust upon the community.

*Source: Stanley 2002.*

A community's trade balance can also be improved where a local businesses can displace imports of goods and/or services to the community.

An Indigenous business in a remote or discrete community that is able to meet the above challenges, survive and grow, should be celebrated. Profit is an indicator of success and without it no business will survive. A successful business, run on purely commercial principles, makes important contributions to help change conditions prevailing in the community.

Where a business is requested to perform a role that it would not undertake as part of its normal business operations, then it should be funded for the service (for example, to provide training in excess of what it needs to function as a viable business). Imposing further social objectives on Indigenous businesses increases their likelihood of failure (and decreases their likelihood of starting-up in the first place).

## Failure as part of a process of learning

When an Indigenous business fails, it is important that a development or learning perspective is adopted if some form of policy response is being considered.

Business failure is part of a process of learning for both Indigenous and non-Indigenous businesses. An example is the recent closure of the Hope Vale banana farm, pending re-organisation (Box 9.2). The experience has provided lessons that informed other enterprise efforts on the Cape, such as, Cape York Timber.<sup>26</sup>

Cape York Timber, established in 2013, produces high-quality Australian hardwood while providing Indigenous employment and training. It harvests on Indigenous properties, is a profitable 100 per cent Indigenous-owned business, and is trying to build an industry (or rebuild one that used to exist).

Learning from the banana farm experience, Cape York Timber has an explicit commercial objective with the intention of being a viable business in competitive timber markets. External management expertise was brought in from the Victorian timber industry with the longer-term objective of transferring knowledge and skills to local Indigenous management. Management stated that the same expectations apply to Indigenous employees as to employees at a commercial enterprise—investments in training are based on the same requirements as in any successful timber enterprise.

The need for a more commercial footing appears to be what is planned for a restructured banana farm:

*Cape York Enterprises, with possible support from Jawun secondees, will oversee future restructuring of the farm. This includes winding up the existing legal entity, overseeing its transfer back to Hope Vale Foundation, designing and implementing a strong operational model, and securing additional funding. A farming contractor will be engaged for a 'clean up' process, experienced management will be appointed, and a skilled local labour force will be developed over time. Negotiations are planned with an industry partner regarding a marketing agreement and provision of consultancy service. (Jawun 2016, p. 2)*

---

<sup>26</sup> Site visit and personal discussions with management and Cape York Partnerships.

## Box 9.2 The Hope Vale banana farm

The Hope Vale banana farm was a 80 hectare banana plantation established on already cleared land, purchased by the Hope Vale Aboriginal Shire Council with funding from the Australian Government in 2008. The project was initiated through the Hope Vale Aboriginal Shire Council and Dole Australia Pty Ltd with support from both the Australian and Queensland governments.

The farm has ceased trading and is insolvent pending re-organisation. Consultations indicated that some barriers to the successful operation of the farm were:

- conflicting commercial and non-commercial objectives; for example, whether the farm was meant to be a commercial enterprise or a training farm where training expenditure was more than could be justified for the commercial operation of the farm
  - if a commercial enterprise, insufficient plantation scale to sell in open, competitive markets
  - if a training farm, no appropriate external funding sources to subsidise (pay for) non-commercial activities
- management by 'committee' with too many players involved
- lack of management expertise.

These barriers may or may not have proved fatal for the farm. However, in 2014 the plantation was hit by cyclone Ita which destroyed nearly 90 per cent of its crops. A report for Jawun stated:

*Production and income never recovered and the farm has not turned over a profit since, with most effort spent on cleaning and maintenance. A relatively inexperienced management and the modest skills of the local workforce made recovery, already a huge task, even harder. Then in March 2016 the farm's industry partner and 25% shareholder Dole Australia (local subsidiary of global fruit and vegetable giant Dole Food Company), closed all Australian operations and discontinued its operational involvement at the farm. This ended an arrangement whereby Dole Australia provided operational expertise to the farm and purchased all fruit produced at an agreed price through an offtake agreement. (Jawun 2016, p. 1)*

## Displacing and crowding out investment opportunities

Government policies can accidentally displace or crowd-out investment opportunities, including opportunities to invest in, own and operate businesses in communities. When this occurs, a valuable opportunity to learn and build capabilities is foregone. Given that few economic opportunities currently exist in many communities, it is important that government does not displace those that do exist, and allows for new opportunities to be captured.

Council decisions can impact on the development of an Indigenous business culture:

*[...] those business opportunities that do exist in Indigenous communities tend to be dominated by council acting in partnership with non-Indigenous entrepreneurs and businesses. Council control and (structurally embedded) overreach crowds out the private sector. Council should not be the driver or the gatekeeper for emerging economic activity but rather an effective regulator and enabler—a private sector needs to be able to develop independently but with the regulatory support of government like in any other town. For example, in Aurukun there has recently been increased business activity with the establishment of accommodation and restaurant which is largely a positive development for the town. However, the business is run by non-Indigenous people in a partnership arrangement with the Aurukun Shire Council. The local shop is also run through a similar arrangement, as is the art local centre. This is unlike the situation in any other town, and it can crowd out entrepreneurial opportunities for local small business, and lead to a concentration of power and opportunity in certain family groups. (CYI sub. DR15, p. 9)*

The specific decisions in Aurukun may or may not have made sense, given alternatives. But, there is a need for governments to take a long-term view, consider options within a development framework, and provide the investments (support) needed to instigate change.

The Queensland Government's ownership of retail stores provides a case study illustrating the issues of displacement and crowding-out, and problems in balancing competing policy objectives.

### Why does government own retail stores in communities?

The Queensland Government, through the statutory body Community Enterprise Queensland (CEQ), owns most retail stores in discrete and remote communities. CEQ's stated aims are to provide communities where they operate with a 'range of food, drinks and household items essential for a healthy life, at a fair price' (DATSIP 2016). As discussed in Chapter 8, CEQ is a new entity formed through the amalgamation of IBIS stores and DATSIP Retail Stores.

Government ownership of retail stores in communities—whether CEQ, or the former IBIS and DATSIP Retail Stores—is rationalised on the basis that there is too great a risk that, without government involvement, the store will fail, and the community's food supplies will suffer. Partly, this perception is related to the commercial difficulties with owning and operating a store in remote communities:

- Remoteness means goods need to be transported long distances, with unreliable infrastructure, resulting in high freight costs.
- The small size of most communities means that scale economies are not achieved, for example, in transport costs or store operations, and it may be difficult to recruit staff.
- Climatic conditions, combined with long transport distances, can affect the quality of food delivered, particularly perishable goods.
- Reliable refrigeration can be a problem in remote communities where there are regular power outages, problems with back-up diesel sources, and/or where communities are reliant on outside mechanics to fix refrigerators and freezers (ABC News 2015; House of Representatives 2009; Hudson 2010).

Partly, however, government ownership is rationalised on the basis that there is 'a need to improve the health of Indigenous people in remote Australia by addressing nutrition-related health problems [and] unreliable food supplies'.<sup>27</sup>

<sup>27</sup> See <http://outbackstores.com.au/about/background/>.

## A barrier to development

The objective of improving health outcomes is an important issue (discussed in Chapter 17). However, government does not need to own stores to support improvements in health in communities or to ensure security of food supplies. Consideration needs to be given to whether there are:

- any adverse impacts from government ownership, and/or
- other ways of achieving the same outcomes.

The key risk is that government ownership and control diminishes local-level responsibility and can impede the development of a culture of individual/community action and enterprise. As discussed in Chapter 8, governments do not own retail stores in Indigenous communities anywhere else in Australia (or in New Zealand, Canada or the United States).

By choosing to own retail stores, government monopolises the retail market (for example, it is usually the only grocer in town given the size of the market). It directly displaces the business that would otherwise provide the same product categories, which could be an Indigenous-run business (either a local Indigenous business or an Indigenous business operating across communities).

Government ownership can crowd out investments in other markets, or crowd out investments which have not yet occurred:

*[T]he goal should be to try and normalise these communities, not add to their dependence on government... Although the Outback Stores initiative may be useful in addressing poor management practices and reducing uneconomic cultural practices, it has also resulted in some unfortunate and unintended consequences.*

*The \$77 million of government funding that has gone into Outback Stores has created an unequal playing field and made it harder for independent community stores to keep operating. Government involvement and subsidies to Outback Stores will make it less economically attractive for communities to run their own stores or to explore alternative methods of obtaining fresh fruit and vegetables, such as growing it themselves. (Hudson 2010, p. 1)*

Government-owned stores may use their monopoly position in one market to expand into other product markets, driving existing local businesses out of business. For example, stakeholders raised concerns that the CEQ store in one community was planning to expand into prepared fast food which would likely drive out of business the locally owned fish and chip shop.

Whether concerns about displacement and crowding-out are perceived or actual, comparably sized 'mainstream' communities have a much healthier retail sector and an active business community. Government ownership of stores contributes to a stagnant business culture in remote and discrete communities.

A secondary concern commonly cited with government owned entities, is that they tend to be expensive (usually due to inefficiency) and do not have incentives to meet the wants of consumers. These concerns were reflected by stakeholders, with concerns about food costs and quality. As noted by the Legislative Assembly in 2005:

*There is considerable disquiet in the [Palm Island] community regarding government ownership of the retail store and private ownership by organisations from the mainland of other services provided to the community such as the air, ferry and barge services. This is seen to reduce employment opportunities, take profits which otherwise would be invested back into the community and, in the case of the retail store, unnecessarily increase the cost of living. (Legislative Assembly of Queensland 2005, p. 8)*

## Alternatives that do not impede development

Where governments assume responsibility for something that should be an individual, local or market responsibility, then the policies that follow are likely to be different to those where the role of government is envisioned as enabling change. Assuming the local community wants some form of policy response, government should choose policy instruments that address the problems, but do not impede longer term development.

To achieve a reliable supply of quality food, there are alternative policies to ownership and control, including licensing regimes, contracting-in external management expertise and subsidy policies. Where a government wishes to subsidise a particular good or service, it can provide an explicit subsidy appropriated through budget processes.

A network of stores offers some advantages compared to small, independent local stores (for example, backoffice scale economies, buying power and external expertise in the management of retail stores). However, it is not government ownership that delivers these benefits as they are available under any ownership/governance structure. Alternative models capable of capturing the benefit of a network of stores, while not damaging the development of an Indigenous business culture and individual capabilities, include:

- cooperative arrangements<sup>28</sup>
- communities contracting in retail store management expertise, or backbone support, from other Indigenous organisations, such as, ALPA (Box 9.3) or Outback Stores.

---

<sup>28</sup> See <http://www.coopdevelopment.org.au/communityenterprises.html>

## Box 9.3 Retail stores in remote Indigenous communities— alternative approaches

### Arnhem Land Progress Aboriginal Corporation (ALPA)

ALPA is an Indigenous corporation providing retail, employment and community services across the Northern Territory (NT), Cape York and the Torres Strait. It has 27 stores with 8 stores located in Far North Queensland operating as Island & Cape Retail Enterprises Store Committees (the Committee). The stores are operated as 'member' stores or 'consulting' stores where ALPA has been brought in to assist a community.

The Committee's role is to support the store managers, Yolŋu supervisors and store workers in resolving local issues that arise in relation to the store. The Committee is also a conduit for feedback from the community in regards to store matters such as range or trading hours.

ALPA has worked with indigenous suppliers to supply clothing products for stores; for example, Queensland businesses KLT Culture and Bundarra have been used. Its retail consulting arm—'Australian Retail Consultants'—provides retail services (for example, it helps stores improve their management, provides relief management, and on-the-job training), finance and accounting services, and shop-fitting services.

In July 2015, ALPA was instrumental in handing back a local store to the traditional owners at Gunbalanya (Oenpelli) community. The store had been owned by the West Arnhem Shire since 2008. ALPA previously operated the store for the Shire and also helped to establish the Adjumarllarl Aboriginal Corporation representing the local traditional owners in 2012. With ALPA's relationship with the West Arnhem Shire and the Adjumarllarl Aboriginal corporation, ALPA was able to work with both parties to ensure the best outcome for the store and the local traditional owners.

ALPA also operates Australian Retail Technology, which supports delivery of technical retail operations across the network (including shop fit-outs, POS (Point of Sale) system installations, back office and Time Target systems, CCTV installations, ROS4U online shopping kiosks and fibre optic cable installation, plus Helpdesk support across over 50 sites in the NT, Queensland and South Australia).

Source: ALPA 2016.

### Transition strategy

Calls for government to remove itself from the ownership and management of retail stores are neither new or solely from communities. For example, recommendation 12 of the Legislative Assembly of Queensland Palm Island Select Committee Report in 2005 stated, 'The Minister for Aboriginal and Torres Strait Islander Policy should pursue transferring ownership and management of the Palm Island retail store from Government to an entity capable of demonstrating appropriate capacity, pricing policies, product selection, local employment policies and profit investment'.

The legislation underpinning the CEQ reform includes one form of an exit or transition strategy which would allow the ownership and control of stores to transfer to communities. Communities can apply to the Queensland Government, through CEQ, for the transfer of stores to local ownership. CEQ is required to make a judgement on whether to enter into a transfer arrangement having regard to the criteria in 60Y(5) of the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984*.

If CEQ supports the transfer request, CEQ then seeks Ministerial agreement. This raises potential conflicts-of-interest as what is best for CEQ as an organisation may not align with what is best for communities. Moreover, developmental objectives are not considered as part of the assessment.

There is also a question about the onus of proof. No other community is required to make a case that they are capable of running a retail store. Some stakeholders, while noting the new formal transfer mechanism, highlighted the paternalism and pessimism embedded in the existing approach to retail stores ownership in Queensland.

The legislation should reflect a policy intent focused on development and the assumption that the ownership of stores will transfer, with government introducing policies to support the transfer process. For some communities, the transfer process would be short, while for others it would take time. There are many avenues for assisting communities to prepare for and manage stores, if requested by communities.

## Regulatory impediments to development

New industries are needed in and around communities for communities to be sustainable. However, regulations can impede development, or make the costs of development so prohibitive that opportunities are never realised. For example, for agriculture to develop on the Cape, there needs to be a willingness to permit clearing and create new water licences. In the case of CYP's attempt to build a timber industry, while there is a good potential supply of logs from Indigenous land on Cape York for the next 50 years, this supply is very vulnerable to regulatory change (for example, new environmental regulations).

Part of the problem is that regulations may seek to achieve objectives other than development objectives. The relative value placed on achieving the objectives of the regulations and development objectives may be quite different for people living in communities compared to those influencing the introduction of the regulations.

The severity of the unemployment problem in communities suggests that development objectives should receive a much greater weight when considering the merits of proposed regulations, compared to the case if unemployment rates were similar to regional centres and cities).

## 9.5 Employment

### High and persistent unemployment

The problem of high unemployment is present across communities and persistent since at least the late 1970s. Official statistics significantly understate the unemployment problem as the rates of unemployment do not capture those who have dropped out of the labour force (Figure 52).

For mainland discrete communities, over half of the working age population are not in the labour force.

Figure 52 Indigenous employed, unemployed and not in the labour force, 2016



Notes: Non-remote is defined as including all Queensland Aboriginal and Torres Strait Islander People minus Torres Strait and mainland discrete Indigenous people.

Source: ABS 2016a.

## Mechanisms to increase local employment

Improved Indigenous employment outcomes can be achieved through:

- *reducing supply-side impediments to employment*: policies and underlying conditions contribute to a range of impediments to participation in employment. Policy reforms could address the problems of:
  - skills gaps (Chapter 15)
  - weak financial incentives for jobseekers to seek, accept and maintain employment
  - disincentives to mobility
  - sub-optimal incentives for employment service providers
  - sub-optimal system-wide incentives supportive of development
- *output effect*: economic and community development increases activity in or around communities expanding the demand for labour from existing or new businesses and community organisations
- *substitution effect*: this involves substituting Indigenous labour for non-Indigenous and non-local labour
  - governments (Australian, Queensland, local) can employ additional local labour in core administrative functions of government and/or in direct service provision activities
  - where governments contract local service provision, the service provider can choose to employ local labour. Governments may have policies guiding procurement decisions which favour Indigenous businesses and Indigenous employment, and they may impose conditions on contracts
- *technology and capital-labour substitution*: investment in capital (e.g. the construction of housing and roads) taking account of the abundance of local labour due to high unemployment.

## Supply-side barriers to employment

This section identifies and discusses how to reduce barriers to Indigenous people participating in employment, with a focus on mobility and incentive issues.

The Queensland Government can influence important supply side issues, for example, mobility and the development of human capital through education and training (Chapter 15). Further, its decisions influence the scope for coordinated approaches with the Australian Government; for example, through place-based approaches to development.

However, the Queensland Government does not have significant policy levers in other areas:

- incentives to work: the Australian Government controls income tax policies, income support payments and the setting of private sector awards (including rates of pay)
- labour market matching services: Australian Government policy dominates the market for job placement or matching services through Job Services Australia (JSA) and the Communities Development Programme (CDP).

Other options could be considered by government to strengthen the incentives for mobility and employment (summarised in Table 25), particularly where working in cooperation with Australian Government policy. The Australian Government could include these options within a place-based approach to development driven by communities, and also involving councils and the Queensland Government.

**Table 25 Options for addressing supply-side barriers to employment**

Options	Responsibility	Supply-side incentive issue addressed
Job search requirements	Australian Government	Toughening job search requirements supports additional investments (effort) in finding and re-locating to work (if necessary)
Portability of social housing entitlement	Queensland Government	Reducing disincentive to mobility from loss of social housing subsidy
Income support payment structures	Australian Government	Increasing the financial incentives to work by reducing the rate at which income support is withdrawn as additional income is earned, including through 'holiday periods'
Income support eligibility criteria	Australian Government	Increasing the financial incentives to find work by changing access to payments
Reforming employment service provider payment structures	Australian Government	Reforming CDP payment structures to minimise the problems of parking and creaming
Addressing incentives within a place-based approach	Joint	Coordinating Australian Government policies (the income support system and employment policies) with Queensland Government policies (service delivery and employment policies) to fundamentally change the welfare to work system
Funding of place-based approaches	Joint	How place-based approaches are funded, including the inquiry's structural reform proposal, can have significant impacts on 'system-wide' incentives. There are a number of options which could address externality problems in decision making, and better align incentives for improvements in service delivery and development

## The problem of weak financial incentives to work

The objectives of the income support system is to provide long-term income support for those unable to provide for themselves, and to provide temporary support to others:

*The income support system helps different people in different ways. For some it provides long-term support to meet basic costs of living, where there is no real prospect of recipients improving their circumstances through employment... For others, income support is a transitional payment to support recipients through a period between jobs, the transition from education to work, a period of re-skilling or temporary incapacity. (DSS 2016, p. 26)*

The income support system is intended to help alleviate poverty. The effect of the system—as opposed to its objectives—is to weaken the incentives to transition from education to work or from welfare dependency to work. Income support payments and other assistance available through governments, such as social housing, can provide an annual income that is roughly equal to, or even better than, full-time employment in low skilled award paying positions. Weak financial incentives:

- contribute to cases in communities where available advertised jobs go unfilled. Consultations identified examples where paying advertised jobs received no applicants (including for jobs without qualification or other high skill requirements)
- reduce the incentive to relocate to where employment is a more viable option
- reduce the returns to personal behaviours and investments that increase the likelihood of obtaining and holding work. This, at a minimum, delays career progression which means that it is a longer period of time before the individual is capable of earning a wage level sufficient to offset the lure and trap of income support payments.

The income support system contains a range of mechanisms to try to target assistance to those who truly need it, while not providing a barrier to employment for those capable of work. However, these mechanisms are highly imperfect.<sup>29</sup>

## Social norms and employment expectations

Social norms or rules play an important role in communities in forming expectations to seek and remain in employment. Norms that support an expectation of self-reliance and employment influence an individual's reservation wage.<sup>30</sup> As jobseekers may value their relationships with other members of the community, including how others perceive them, the wage that they require before accepting work is lowered. Under a different community set of expectations, the individual may choose not to work at the prevailing wage on offer.

Further, what is initially a reservation wage problem can become a long-term unemployment problem where 'employability' declines as the duration of unemployment increases.

A common feature of community-led development initiatives is changing norms and expectations to influence behaviours, such as in relation to family responsibilities, school attendance, and employment.

Government policies affect the evolution of social norms and expectations, and can either support or impede community-led initiatives. A policy stance that more frequently takes an enabling approach provides greater space for individuals and communities to take greater responsibility for decisions and outcomes.

<sup>29</sup> See DSS 2016 and Saunders 2000.

<sup>30</sup> A decision to be employed means sacrificing one's time that could have been spent on other valued activities (e.g. spending time with family and friends, playing sport, hobbies or relaxing). An individual's 'reservation wage' is the lowest wage rate an individual would accept for the job on offer. The more that the foregone activities are valued by the individual, the higher the wage offer has to be before the individual is indifferent between working and not working.

The design of service delivery policies should consider whether and/or how the provision of the service will impact on the development of positive social norms and employment expectations.

## Mobility

Indigenous people have historically often moved from one location to another to trade, for employment or, more often, for other reasons:

*Indigenous people in remote and rural Australia are frequently moving between places. Movement was and still is the key to the maintenance of both relationships to places and to kin in Aboriginal Australia....There exists what might be described as a culture of mobility amongst the Aboriginal population of Australia. (Memmott et al 2006, p. 1)*

More recently, mobility has become an issue because of the impacts of government policies which effectively break the nexus between employment and income.

### Why employment mobility is important

The lack of economic development in most communities influences employment outcomes by reducing the demand for labour. Improved economic development and growth of a private sector will expand the number and range of jobs in communities, but this will take time.

Even under optimistic development scenarios, and attempts to transition jobs in communities to residents of the community (substitution strategies), there may not be enough opportunity locally to make a major change in employment outcomes:

*The number of Indigenous unemployed and jobseekers on Cape York far outstrips the number of jobs that are available locally with many local jobseekers either unskilled or semi-skilled. Let's take Coen and Aurukun as examples:*

- *In Aurukun, the vast majority of the total population of 1300 is welfare dependent, and there are about 360 registered jobseekers.*
- *In Coen, the majority of the total population of 264 is welfare dependent, and there are about 61 registered jobseekers.*

*Not only are the majority of Indigenous residents in Aurukun and Coen long term welfare-dependent, the local 'economy' in each place continues to be almost entirely sustained through the transfer of government funds. (CYI and Cape York Land Council 2014, p. 6)*

Mobility is also important because it can contribute to economic development through, for example:

- unskilled workers moving to employment outside of communities, gaining skills through employment (learning-by-doing, basic generic skills, plus potentially formal qualifications), which then gives them the skills/qualifications to apply for skilled vacancies in their home community
- as a transfer mechanism for bringing new knowledge and skills to the community
- the development of personal and other relationships to increase integration between the community and the broader economy
- changing expectations and enforcing positive social norms.

## Services as a barrier to re-locating for work

For most people, the decision to move from a community to a regional centre, city or other locale where there is employment will take account of many factors that influence the relative attractiveness of different locations.<sup>31</sup>

Queensland Government policies—particularly for social housing—discourage re-location to where jobs are available:

*Low-rent housing is an impediment to getting and keeping a job. Paying only a small amount of rent, or no rent, and not having to put much effort into the upkeep of a house makes it unattractive to move to a location with much stricter requirements through a private rental market. Similarly, the prospect of taking up one of the few real, paid jobs in a community is made less attractive because of people's fear of losing their heavily subsidised houses if their wages are high enough to take them over the income limit for social housing. (Forrest Review, p. 172)*

*The region surrounding Cloncurry is rich in opportunity for employment. Dajarra is in close proximity of two major mining operations and a large pastoral company ... A real impediment to indigenous persons gaining meaningful employment relates to the current social housing and indigenous community housing models. It is common to hear of Dajarra residents gaining employment with the large mining operation in the area, only to resign shortly thereafter to avoid the prospect of losing their existing home. (Cloncurry Shire Council sub. DR9, p. 9)*

Housing shortages where there are jobs can also discourage mobility:

*Our housing shortage is so extreme that Council and other employers are unable at times to fill positions—in other words, there are jobs available but no housing. Providing housing in Burketown has the potential to take some pressure off Doomadgee, and enable Burketown locals to return to live and work in their home town. (Burke Shire Council sub. DR18, p. 5)*

## Existing support for employment mobility

To partially offset the disincentive effects of some policies, the Queensland Government (Box 9.4) and Australian Government have expenditure programs which assist mobility. The Forrest Review commented that mobility support was available, it just needed to be taken-up.

The take-up of programs is often underwhelming, in part, because potential participants are not aware of their existence, with the changing and chopping of programs being a contributing factor. Further, since the Forrest Report was released, the Remote Job Communities Program (RJCP) has been replaced by CDP. The funding available to support mobility is less under the CDP program than under the RJCP's Participation Account mechanism, in part, because of the backloading of payments (CYP 2017, p. 21).

Further, CDP suffers from the same disincentive effects on employment and mobility as the former CDEP program, whereby people become institutionalised on work-for-the dole, rather than transitioning to employment. CDP outcome payments for finding jobseekers a job are not high enough for providers to invest significantly in this outcome rather than focusing on providing Work for the Dole activities.

<sup>31</sup> Some of the factors include: motivational-related factors; the presence of social networks in the new location (e.g. family and friends); the social conditions present in the home community (e.g. the prevalence of problems); the individual's perception of the move as being a rewarding pathway; the presence of obligations (e.g. contributing to the care of the elderly, looking after siblings) which raises the 'cost' of moving; the likelihood of finding employment and the relative financial rewards; the direct costs of moving (e.g. transport costs); the proximity of regional centres; the ability to cover living costs for a transitional period until such time as income is earned; the potential loss of access to social housing and the relative cost of accommodation in the new location; and the ability to find accommodation (often without personal references and with limited awareness of mainstream housing markets).

## Box 9.4 Mobility assistance

The Queensland Government's programs impacting on mobility include:

- the Youth Employment Program (YEP): an employment support program for young Aboriginal and Torres Strait Islander people who are finishing high school and looking for work or considering further education. DATSIP staff help youth with choice of career; link to job vacancies; connect to culturally capable services; with pre-employment support; support for any life challenges that make it difficult to find work; and access to training opportunities.
- the Employment and Education Housing Program (EEH): helps eligible Aboriginal and Torres Strait Islander people re-locate from remote communities to take up employment, education or training opportunities in regional centres. Successful applicants are offered housing support for the length of the employment, education or training course that they are in. The program is available in Townsville, Gladstone, Rockhampton, Toowoomba, and Cairns.

Australian Government programs that support mobility include:

- The Indigenous Youth Mobility Programme (IYMP) (now the Indigenous Youth Mobility Pathways Project) helps young people to transition to a new location to further their education and training, as well as to gain employment. Potential entrants to the program apply directly helping to minimise contact between the welfare system (e.g. Centrelink) and school leavers, possibly helping to set them on an alternative pathway (CYP 2017, p. 26).
- The Relocation Assistance to Take Up a Job program focuses on the long-term unemployed, is not restricted by age, and can be accessed by Indigenous or non-Indigenous people. Up to \$6,000 is available to long-term unemployed job seekers if they move to a regional area to take up a job, or up to \$3,000 if they move to a capital city.
- The Job Commitment Bonus for Young Australians provides up to \$6,500 for Indigenous and non-Indigenous long-term unemployed young Australians to find and retain employment.

## Uniform standards as a barrier to participation

The economic conditions in communities are not representative of the Australian average, yet uniform national and state-wide regulations and standards also apply in communities.

Service delivery standards are a reflection of a nation's wealth, not a generator of it.

Applying uniform national standards in communities, based on a national level of wealth that does not exist in communities has the consequence that resources consumed in meeting the standard could have been used for alternatives that may provide a greater contribution to welfare. Uniform national or state-wide standards are not necessarily the standards that a community would choose.

Standards can also impose barriers to economic participation in communities. Consultations raised concerns about the ratcheting-up of labour market standards or credentials and the effect this can have on the incentives for continued participation in employment, and/or re-entry to the labour force.

When state-wide health qualifications or credentials are ratcheted up, locals who may have previously worked in the health sector and have sufficient skills and formal qualifications under the old standard, are now not able work without upgrading their formal qualifications. However, there may be impediments to upgrading their qualifications, such as no local training providers. And the ongoing process of increasing required credentials can deter continued investments in skills. Consultations highlighted these problems in several communities.

Adopting place-based approaches, involving both Queensland Government and Australian Government participation, can help address the problem of uniform standards. For example, Cape York Welfare Reforms legislation was introduced by the Australian Government that allowed aspects of the income support system to be varied in the region covered by the agreement.

## Employment service provider incentives

Australian Government funded employment service providers under CDP face financial incentives that lead to the problems of:

- **Creaming:** where providers prioritise unemployed claimants with fewer barriers to work, who are felt to be easier, cheaper and more likely to move into paid work, in order to release outcome payments.
- **Parking:** where providers neglect claimants with more substantial barriers to work, who are considered unlikely to move into paid work (and hence to generate an outcome payment) without considerable, and usually expensive, employment support (Carter and Whitworth 2015).

There has been significant chopping and changing in labour market programs since the phasing out of CDEP in 2007. The Senate has been reviewing the appropriateness and effectiveness of the objectives, design, implementation and evaluation of CDP and is due to report in December 2017. Submissions to the review have argued that CDP needs significant reform, including to the structure of payments that influence incentives to cream and park:

*The current CDP design embeds incentives for providers to park clients. Arguably, when compared to previous incarnations, such as RJCP, it deepens these incentives.*

*Removal of shorter term outcome payments (for example, for seven or 13 week placements) further encourages providers to focus solely on those they can successfully place for at least 26 weeks. (pers. comm. with CYP, 28 November 2017)*

## Achieving a step-change in individual financial incentives

### Strengthening incentives and support for mobility

The Forrest Review's (2014) recommendations on what state and territory governments should do to better support mobility focused on housing policies (p. 177). This included mechanisms to make the subsidy provided by social housing 'portable', and providing improved access to housing at the location where jobs are available.

The lack of portability impedes non-government initiatives to support mobility. For example, if a Prescribed Body Corporate (PBC), community organisation or large NGO wanted to invest in accommodation to support mobility, the costs of the investment will only be covered if market rents are charged to the tenant. However, the level of rent charged would be significantly above the social housing rent. Therefore, there is a financial disincentive to mobility that reduces the demand for accommodation. The PBC or other investor could choose to take a loss on its capital, but this is unlikely to be viable at the scale required to address the underlying problems.

To overcome these problems, various mechanisms could 'cash-out' the social housing subsidy, or some portion of it. A Queensland Government payment could be made directly to the PBC or other investor, or provided to the jobseeker in the form of a voucher tied to the provision of accommodation.

## Income support payments and the need for coordinated policy responses

Providing financial assistance through the welfare system is intended to be transitional for most people, but has contributed strongly to welfare dependence in communities. As a result, many options for improving individual jobseeker incentives involve adjustments to the system of income support payments, including:

- adjusting payment eligibility criteria; for example, the age at which payments are available
- reducing the rate at which support payments are 'clawed back' or taper when additional income is earned through employment
- inserting or increasing a threshold ('free area') before additional earned income initiates the claw back or results in the removal of assistance
- increasing the 'cut out' level of income before assistance is ended
- providing holiday periods before earned income initiates the claw back or results in the removal of assistance
- better integrating means testing under multiple payments
- adjusting marginal income tax rates and thresholds so that the effective tax rate on earning additional income is lowered (DSS 2014, pp. 72–75).

These options strengthen financial incentives as they increase the take-home pay from work (the 'carrot'). Other options such as job search and Work for the Dole obligations are the 'stick'. Breaches of the obligations can lead to the withdrawal of income support. Eligibility criteria can be used to deny access to payments for those who should be capable of finding work.

All of the above options are dependent on the Australian Government's design of income support payments and employment programs, and reforms may be difficult politically. Nonetheless, the current performance of these systems and programs is a significant determinant of the level and characteristics of demand for Queensland Government services.

The interjurisdictional separation and demarcation of drivers that could potentially push and pull people into employment remains a critical issue and one that could be overcome. It requires a willingness of the Queensland Government and the Australian Government to work together, and with communities, to design a coordinated set of reforms to strengthen the financial incentives to move from welfare to work, or to transition from school directly to employment.

### 'System-wide' options for a step-change in incentives

The proposed structural reforms involve an authorising body (Chapter 7). Funding options for the authorising body could have a large impact on system-wide incentives and support for development and better employment outcomes.

When a choice is made that does not support development in communities, part of the cost of the choice falls on people not party to the choice. For example, if a choice is made at a local level that produces worse employment outcomes than an alternative option, then income support payments made by the Australian Government are higher than they otherwise would be, and the demand for services provided by the Queensland Government may also be higher than it otherwise would be. The external impacts of the choice are not internalised (considered within) the decision making process.

These types of externality problems are common across tiers of government. The choices of one government effectively shifts risk or costs to another government. Even within a tier of government, these problems occur between departments.

In considering what functions to transfer to the authorising body and how to fund the body, there is scope to better align incentives—to internalise within the decision making process a larger proportion of the costs and potential benefits of the decision.

For example, using micro-level data it would be possible to project future expenditures on income support payments. The net present value of those projected expenditures could form part of the funding pool provided to the authorising body, with the authorising body making the payments to individual families (the actual processing of payments may just continue through Centrelink). The authorising body then has a direct financial incentive to reduce the need for income support payments if, as part of the funding agreement, governments agree that any excess funds are retained for other purposes. Therefore, any community-driven strategy that made significant inroads into improving employment would result in additional resources being available to communities.

This type of option is a variant on the Queensland Government's three social investment pilots (see Chapter 8). There are similarities in aligning incentives for improved performance, and the need for making basecase or status quo service demand projections in order to reward better than projected performance.

Another funding approach which could better align incentives for development involves the hypothecation of minerals royalties (or part of) to authorising bodies, at least for those regional bodies where there is minerals development potential. This would result in stronger regional incentives for development as the benefits of development are more clearly tied to the region.

From a regional or community perspective, aligning incentives can make a real difference (e.g. it can help sell needed change when the benefits of the change are more visible and internalised within the region). The overall agreement (contract) between the government and the authorising body can specify other aspects of funding and functions which mean that hypothecation can result in a net increase in resources available locally (rather than governments giving with one hand while taking with another).

From the government's perspective, funding to the authorising body comes out of consolidated revenue either way, so hypothecation arrangements are generally not favoured as they can reduce budget flexibility. However, where hypothecation aligns incentives and alters decisions and behaviours, it can have positive consequences for state service delivery (for example, reducing the need for services), funding requirements and taxes.

## Finding

Achieving a step-change in incentives requires coordinated policy responses led by communities and involving the Queensland and Australian Governments working in cooperation.

As many incentive problems are generations in the making, solutions require long-term policy commitment.

This inquiry's proposed structural reforms are a suitable framework within which to coordinate policies guided by a focus on long-term development.

The design of service delivery policies should consider whether and/or how the provision of the service will impact on the development of positive social norms and employment expectations.

## Increasing the demand for local Indigenous labour

The following sections focus on increasing local employment through substitution strategies and technology choices. Options to improve employment outcomes are summarised in Table 26.

**Table 26 Options for increasing the demand for local labour**

Option	Responsibility	Mechanism for increasing demand
Transparency and accountability of progress against employment targets	Queensland Government	Improves incentives for increasing Indigenous employment in Queensland Government administrative and service delivery functions
Independent and transparent evaluation of procurement policies	Queensland Government	The Queensland Procurement Policy (QPP)/Queensland Indigenous (Aboriginal and Torres Strait Islander) Procurement Policy (QIPP) should be evaluated by an independent body with outcomes transparent to communities. This will improve accountability and facilitate adjustments to the policies over time
Community-led devolution of service responsibilities	Australian and Queensland governments	The Queensland Government should have a mechanism in place for consideration of community applications for devolution of service functions. Community organisations hire proportionally more Indigenous people
Project targets and timeframes driven by local conditions	All tiers of government	The need to maintain tight timeframes to meet budgets biases employment choices against local Indigenous employment where investments in skilling may be required, or performance uncertain
Linking technology choices with supply chain and industry development considerations	All tiers of government	Investment choices on the type and quantity of capital to employ influences the level of demand for labour and the skills required, and can influence broader local supply chain development

## Employment in the Queensland Government public sector

The Queensland Government can influence local employment through the demand for labour created by its own service delivery activities (the substitution effect). Where government directly delivers services in communities, it has the ability to influence the number of jobs filled by local Indigenous people through agency employment policies.

### Achieving employment targets

As part of its Moving Ahead strategy, the Queensland Government set an Indigenous employment target to be achieved by 2022:

*Implement a whole-of-government workforce strategy to increase the proportion of Aboriginal people and Torres Strait Islander people working in the Queensland Public Sector. Under the strategy, all Queensland public sector departments will be required to improve their existing practices in attracting, recruiting, retaining and developing Aboriginal and Torres Strait Islander staff, and contribute to an aggregate 3 per cent target on the direct employment of Aboriginal and Torres Strait Islander staff by 2022 (All departments). (DATSIP 2016g, p. 8)*

Previous Indigenous employment targets have achieved some success.<sup>32</sup>

The objective of increasing the Indigenous employment share in the public sector was a central part of the National Partnership Agreement on Indigenous Economic Participation (NPAIEP) in 2009.<sup>33</sup> The Australian, state and territory governments agreed a set of employment targets with Queensland's target set at 2.6 per cent to be achieved by 2015 (Forrest Review, p. 185). At the time, the Indigenous employment share was 2.1 per cent.

Indigenous employment in the Queensland public sector has varied within a fairly tight band between 2 per cent to 2.25 per cent over the period 2005 to 2015 (based on headcount data) (PSC 2016, p. 25). There were fluctuations in the employment share over the period, but no trend increase.

The Forrest Review (2014, p. 50) recommended that the Australian, state and territory governments set an Indigenous employment target of four per cent (with no agency less than three per cent) to be achieved within four years (2018). To achieve the targets, the following implementation steps were recommended:

*holding department and agency heads accountable for meeting the target and milestones towards it*

*requiring that progress towards the target be published in agencies' annual reports and be monitored quarterly on the CreatingParity website*

*increasing the number of offers of cadetships to first Australian university students and ensuring there is a guaranteed job at graduation.*

Variants of these recommendations could be applied in Queensland. The first recommendation (holding agency heads accountable) could include accountability for achieving employment targets. In the context of Commonwealth employment targets and NPAIED:

*Public accountability can also provide inducement to senior managers to be more strategic and focused on the objective of increasing Indigenous employment in their organisations. At this point in time, the Review considers that such a sharper focus is the best means of achieving a quantum improvement in performance—there is ample experience in what can be done, the greater challenge is to be focused on doing it. As noted above, the scope for a sharper focus is evidenced by the fact that only 27 per cent of APS Agencies have 'formal' Indigenous Employment Strategies in place. Within the APS there is active consideration of proposals for Secretaries being required to report publicly and regularly on their strategies and outcomes contributing to meeting the COAG target for Indigenous employment. The Review supports such a step. (DOFD 2010, p. 355)*

To improve transparency and public accountability, the Public Service Commission's state of the workforce reports could provide enhanced data on Indigenous employment numbers and shares, and could include regionally-based data.

The third recommendation on cadetships, or similar options, could be considered as part of the development of the Queensland Government's whole-of-government workforce strategy.

<sup>32</sup> ANAO 2011 assessed the Australian Government's performance under the National Jobs Creation Package and the NT Jobs Package which aimed to create around 2000 sustainable jobs across Australia in employment areas previously subsidised through CDEP activities. The report found that a significant number of jobs had been created, with the majority of jobs created through funding arrangements with small, non-government, Indigenous community organisations.

<sup>33</sup> The National Partnership Agreement on Indigenous Economic Participation supported the target set by the Council of Australian Governments to halve the gap in employment outcomes between Aboriginal and Torres Strait Islander peoples and non-Aboriginal and Torres Strait Islander peoples within 10 years. The NPAIEP expired on 30 June 2013. The agreement aimed to: create properly paid, sustainable jobs in government service delivery; strengthen government procurement policies to maximise Aboriginal and Torres Strait Islander employment; incorporate Indigenous workforce strategies into major Council of Australian Governments reforms; and increase public-sector Aboriginal and Torres Strait Islander employment and career development.

To address the unemployment problem in communities, a concerted strategy needs to be in place to increase Indigenous employment in local service provision and capital works programs (as well as through mobility, industry and longer term development).<sup>34</sup> Any notional employment target specifically for services provided in communities would need to be much higher than three to four per cent because, in part, existing Indigenous employment shares are already higher. The scope for further increases will vary by community.

Rather, agencies should have workforce strategies to help prepare local jobseekers to transition into jobs currently filled through external labour. Akin to the benefit of public reporting against employment targets, an option is to require agencies to report on the number of Indigenous people active in their programs (being skilled-up), the number of jobs successfully transitioned to locals, and the number of jobs in service provision in communities not transitioned. Agencies would be required to report publicly through their annual report, and the PSC would report on whole-of-government outcomes. Indigenous people and others should be able to see a clear strategy and progress against that strategy.

Given the magnitude of the challenge in communities, to make serious progress will require that workforce strategies be well resourced. As data to support the above reporting is unlikely to be immediately available, actions (and resourcing) to improve systems will be required.

Part of the challenge of achieving the employment targets will be to improve the work 'experience' of new and existing Indigenous public sector employees. Assuming Indigenous people confront the same issues in the Queensland public service as in the Northern Territory public service (see Ganter 2016), maintaining consistency of employment can be challenging.

Performance against employment targets will be affected by changes in the boundary between the public service and employment outside the public service. Some services provided by the public service to communities may have higher Indigenous employment shares than for the public service more generally. If these services were devolved to greater local control, and employment shifted outside the public sector (for example, service provision was contracted to an Indigenous NGO), then the achievement of the employment target is made more difficult. Even so, the process of devolution over time is highly likely to increase Indigenous employment compared to direct public sector provision.

## Agency choices on local versus external labour

Agencies providing services in communities will often face a choice between hiring external labour (fly-in, fly-out or drive-in, drive-out) versus employing a community resident.

Communities expressed concerns about external employment displacing local employment. It is not clear how much progress agencies have made in ensuring that local employment is hired, where possible. However, this needs to be balanced against the reality that many communities, because of their small population bases, do not have the level of demand required for people with specialist skills to live locally. Bringing these skills to the community provides a valuable service. Like in goods and services, trade in labour benefits both parties.

That said, consultations suggest that reliance on outside labour is greater than can be justified by the need for specialist skills.

The investment in training that will be needed to support achievement of the Queensland Government's employment target (as well as similar Australian Government targets) will help reduce the instances of jobs being filled by external persons when, with appropriate support/training, a local person could acquire the capabilities necessary for the position.

The choice of local versus external labour also features for contracted services.

<sup>34</sup> An example is the cross-agency integrated infrastructure planning under DATSIP's Program office. Planning for the provision of capital works includes examining local workforce work readiness, working with employment service providers, and altering the timing of capital works to achieve a smoothed works program that improves local employment participation and training opportunities.

## Procurement and contracting for services

### Contracted Indigenous organisations hire more locals

Contracting can increase local/community participation in the provision of services, where government withdraws from direct service provision in favour of contracting the service, and Indigenous organisations are successful in tendering for provision.

As Indigenous organisations hire a larger proportion of Indigenous people in their workforces than either private industry, non-Indigenous NGOs or governments on average, contracting can improve local employment.<sup>35</sup>

In the health space, this continues established trends where governments are slowly stepping back from directly providing some health services and enabling ACCHOs to provide primary health care and wellbeing services.

In employment services, the Australian Government has been working with the Yarrabah Shire Council to increase the participation of community organisations:

*The Yarrabah trial will allow jobactive employment services to be delivered in the community by the community. This will benefit Indigenous Australians in Yarrabah as jobactive services will be better aligned to the community's social and economic priorities. The pilot will not impact Transition to Work or Disability Employment Services. To build the capacity of Yarrabah to deliver jobactive services, a flexible funding pool will be available to deliver local employment projects, for example a community skills development activity.*

*The Government will engage with the existing jobactive providers about their phased withdrawal and to ensure Indigenous Australians enjoy continuity in service provision. (Yarrabah Aboriginal Shire Council sub. 11, p. 9)*

### Are better local employment outcomes and better service provision complementary?

Ideally, awarding a greater share of service provision contracts to Indigenous organisations would improve service provision and local employment outcomes. This is most likely in areas of service provision where cultural contexts and complex inter-relationships underpinning wellbeing play a large role.

The case for Indigenous organisation provision of services primarily rests on the argument that on-the-ground Indigenous organisations are more likely to be successful in tailoring the service to the specific needs of the community, are able to implement the delivery of the service in a way that takes account of local contextual factors, and have the relationships and authority that the services will be taken-up. Community consultations, evidence from the literature, and the direction of important reforms (e.g. the health transfer process) support or are based on these ideas.

Local employment can help build trust and connections with the community that support improved service provision outcomes. A common problem with external service providers relying on FIFO, or short to medium contract labour positions filled from external candidates, is the constant change in personnel in the context of the need to make investments in personal relationships to support quality service delivery.

<sup>35</sup> Using data from Industry Capability Network (ICN) Queensland, Huner 2014 finds that Indigenous businesses have substantially better outcomes for Indigenous employment than non-Indigenous businesses. Using census data, Hunter 2013 found that the more Indigenous entrepreneurs in an area, the better the overall Indigenous employment outcomes.

## Evaluating who wins the contract

### Value-for-money and the scope of costs and benefits

When the government contracts the delivery of a service to a community, it expects that the service provider will deliver value-for-money. This may mean that the winning tenderer provides the least cost service (with costs defined narrowly). Alternatively, it may mean that the winning tenderer provides the service that maximises the benefits of the service given the cost of service provision, with costs and benefits defined broadly.

'Costs' may include not just the resources consumed in the provision of the service and paid for by the contract, but also any negative impacts on the community that take place outside the scope of the contract. 'Benefits' may include not just the value of the service to those who receive it, but also potential local development impacts, including local employment outcomes. However, the difficulties and risks of taking into account these broader benefits and costs are significant (discussed below).

### Contracting and the role of external NGOs

There is concern in communities about the role of large, national NGOs in delivering contracted services. Much of this concern results from the outcomes of Australian Government tenders; for example, employment services under CDP and Job Services Australia.

Contracting reforms are argued to have displaced or impeded the development of local community organisations, with negative consequences for local employment.<sup>36</sup> While external NGOs also provide local employment, they may provide less local employment than many community-based organisations.

### Should a 'capability building' output be part of contract evaluation criteria?

The criteria used to evaluate supply bids and award contracts may undervalue the longer-term benefits of local community organisations' participation in service delivery, building capacity and the better employment outcomes that might be achieved:

*Government's formulation of what are the "funded outputs" for services and programs in Indigenous communities needs to recognise that community capacity-building and community governance are significant outputs of government investment in themselves. Hence, there may be greater net benefit from funding an Indigenous community organisation to deliver a service in a way that invests a significant portion of the available funding in internal capacity building of the organisation (e.g. training of staff, developing the board, developing governance policies and procedures), even at the sacrifice of a slightly lesser level of direct service outputs than might be achieved from an existing large non-government organisation that has the capability to apply all the funding to service outputs. Government funding models need to recognise and place a value on the capacity-building outputs, as it is this capacity that has the potential to create long-term positive change in Indigenous communities. (Michael Limerick sub DR05, p 5)*

The value of the potential benefits of a local organisation providing a service versus an external NGO or other provider will be highly specific to the circumstances of the contract, the community, and the behaviours of the competing bidders. Quantifying or putting a weight on the potential benefits—the capacity building output—is not feasible on a case-by-case basis. When evaluating alternative bids, how is a procurement officer to weigh such costs and benefit differences when they rely on such uncertain impacts?

<sup>36</sup> For critiques of CDP, see Jordan & Fowlkes 2016 and CYP 2017. For evaluations and critiques of the former CDEP, see Hudson 2008, Dockery & Milsom 2007, and Hughes & Hughes 2011. DEEWR 2012 evaluated the services to communities provided by Job Services Australia.

One approach is to apply a broad 'rule-of-thumb' that accepts higher cost bids from a local supplier compared to an external NGO or other external provider up to a certain percentage cost-differential. For example, under the Queensland Procurement Policy (QPP) 2017, agencies are required to conduct a local benefits test for all 'significant' procurement.<sup>37</sup> Under the test, a local supply bid can be up to 30 per cent more costly than a non-local supply bid (where the bids offer an equivalent quality of a good or service) and still be awarded the contract.

However, the real cost is higher than 30 per cent once the costs of taxation are accounted for. Estimates of the marginal excess burden of the least efficient state taxes are in excess of 50 cents on the dollar.<sup>38</sup> On a \$100,000 supply contract, accepting a supply bid \$30,000 higher ( a supply offer of \$130,000) results in an additional cost to taxpayers of at \$45,000 (\$30,000 plus the efficiency cost of raising that \$30,000).

The Queensland Indigenous Procurement Policy (QIPP) sits under the QPP and covers, amongst other things, contracted services provided in remote and discrete communities (Box 9.5). QIPP seeks to increase the value of Queensland Government procurement spend awarded to Indigenous businesses to three per cent of 'addressable' spend by 2022.

### Box 9.5 Queensland Indigenous Procurement Policy

The QIPP seeks to increase the value of Queensland Government procurement spend awarded to Indigenous businesses to three per cent of addressable spend by 2022. Successful implementation of the QIPP is intended to result in the following outcomes:

- Increase the capacity and capability of Indigenous businesses to successfully tender for Queensland Government contracts.
- Growth and development of a diverse and sustainable Indigenous business sector in Queensland by increasing the capacity and capability of Indigenous businesses to supply to the Queensland Government but also to supply to the private sector through supply chains.
- Improved employment outcomes and opportunities for Aboriginal people and Torres Strait Islander people to participate in the Queensland economy.

The QIPP applies to budget sector agencies only (i.e. not to Government-owned corporations or statutory bodies). An 'Indigenous business' is defined as one that is at least 50 per cent owned by an Aboriginal person/s and/or a Torres Strait Islander person/s.

The target of three per cent is measured against addressable spend and not all agency procurement. The definition of 'addressable spend' is based on new agency contracts in markets where Indigenous businesses have the capacity and capability to supply. Procurement activities that may be excluded relate to funds that are subject to interdepartmental transfers, grants, legislative requirements, existing Standing Offer Arrangements, or existing contracts.

The QIPP includes set-asides which will require agencies to first look to engage with Indigenous businesses where various conditions apply. Set-asides must still be subject to a competitive process, seeking to increase the number of Indigenous businesses in the market and the process should account for the relative value and risk associated with the procurement.

Source: DATSIP 2017c.

<sup>37</sup> The QPP defines 'significant' as a procurement for goods and services identified by the agency as being high expenditure and/or for which there is a high degree of business risk.

<sup>38</sup> See QCA 2015, Chapter 11 and appendix F, for a discussion of the deadweight losses of taxation and estimates of marginal excess burdens.

The QIPP has similar features and objectives as the Australian Government's Indigenous Procurement Policy (IPP), including procurement targets and mandatory set-asides.<sup>39</sup> Setting procurement targets based on the origin of goods and services, race, or the characteristics of a business, preferences some businesses over others. The evidence that national and state-wide local preference policies do not provide economy-wide net benefits is very strong (a survey of the evidence is provided in QCA 2015).

The explicit intention of preference policies is to transfer resources to targeted businesses. Resources may be transferred away from non-targeted businesses. Additional resources are transferred from the general taxpayer to targeted businesses when government purchases a lower quality (higher cost) good or service compared to alternative supply offers. This effectively results in an increase in taxation.

In addition to the costs of preference policies where they raise government procurement costs, and the state-wide efficiency losses from higher taxation, preference policies suffer from lack of transparency and increase procurement risks, such as, through providing greater scope for corruption in procurement practices by increasing greater discretion in the award of contracts.

However, the conditions prevailing in communities are not those that prevail elsewhere. It is possible that the policies may produce a net benefit to residents living in communities given the very large structural unemployment problem. It is also possible that the policies might result in at least a neutral state-wide impact if they contribute to fundamental change over time in communities.

As with the QPP/QIPP, preference policies are usually supported by measures that seek to reduce the barriers to the target group participating in government procurement processes, which can be an important problem for small Indigenous enterprises and organisations:

*Many community based organisations and businesses just don't have the capabilities or capacity to tender and are locked out of what is supposed to be a competitive process. While departments don't see it as their responsibilities to build capacity or capability. Most senior managers in Departments are non-Indigenous and life may be a lot simpler dealing with another non-Indigenous NGO manager with an organisation culture, capabilities and capacity more aligned to the departments. (Turnour sub. DR10, p. 10)*

Measures to address these problems may involve providing information on how procurement processes work (for example, workshops and online resources) and publishing forward procurement plans. It may involve agencies giving consideration to how they structure requests for tender (for example, breaking-up work packages in a way that supports small and medium sized business participation). These forms of assistance to target groups support achieving value-for-money in procurement (for example, they increase the competitiveness of the procurement process by broadening the range of suppliers).

### **The problem of targeting assistance**

Black cladding usually refers to joint venturing arrangements where major non-Indigenous businesses partner with smaller Indigenous businesses to benefit from targeted funding or procurement policies. Black-cladding can result in the leakage of resources (benefits) to non-Indigenous partners. This has been a criticism of the IPP (Hudson 2017, Jacobs 2017). It is not known if black cladding is a significant problem across procurement under the IPP, or more a matter of some high profile cases drawing attention to the issue.

On the other hand, partnering arrangements can provide other benefits for Indigenous managers and workers; for example, where there is a transfer of knowledge or skills from the non-Indigenous business, or where the joint venture supports the Indigenous business in developing deeper linkages with the 'real economy'.

<sup>39</sup> Information on the IPP is available at <https://www.pmc.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>.

The IPP has been subject to the criticism that it lacks clarity in objectives. Is the objective of the policy to increase opportunities for Indigenous businesses and develop a stronger Indigenous business sector (Hudson 2016), or is it to increase Indigenous employment? These objectives tend to be complementary as Indigenous businesses hire more Indigenous workers as a share of their workforce. However, the black cladding problem can result in policy assistance effectively buying only a small increase in Indigenous employment (assuming that there actually is a real increase in employment (that is, additionality) and not substitution of Indigenous employment away from other activities).

One proposal for reforming the IPP has called for any company, where the Indigenous employment share is greater than 70 per cent Indigenous, being considered an Indigenous company under the IPP regardless of who owns the company (Mundine 2017).

These problems are also likely to occur under the QIPP. Clear QIPP evaluation plans should be in place, with evaluations independently undertaken and reported on publicly. Incremental modifications to QIPP should be undertaken as problems arise and solutions found.

## Finding

The Queensland Government has in place policies to increase the Indigenous employment share in the public sector. Monitoring of progress needs to be more transparent and detailed.

The Queensland Government has recently implemented procurement policies that seek to both support Indigenous businesses and improve employment outcomes, including in communities. Evaluation plans need to be in place, including that evaluations are undertaken by an independent body with outcomes made public to communities and other stakeholders.

## Community driven devolution of service responsibilities

Some councils are seeking to increase the role of community organisations in contracted service delivery:

*We note the aim of increasing government positions in communities, but we are pushing that community organisations in Yarrabah are able to provide services wherever possible. We would recommend that if there are changes to the contractual system, then negotiations should occur to identify what current government services/positions could be delivered by a local community organisation. (Joint YASC & YLF sub. DR14, p. 7)*

The Queensland Government could review the services across government that it would be willing to consider for contracting. Alternatively, it could allow community planning processes to identify potential services to be contracted.

As discussed earlier, communities can apply to the Queensland Government for the transfer of ownership and control over retail stores to the community. The 'community' can be a co-operative, council, local entrepreneurs or some other form of ownership structure.

A similar, structured mechanism could be applied more broadly. The policy would be that the Queensland Government will consider community applications for:

- services directly delivered by agencies to be put to contract
- the transfer of service functions to community ownership and control. The policy would specify the functions within-scope of the policy, or a set of principles or characteristics of functions it will consider for potential transfer.

The policy supports development objectives through devolution of authority and increased local participation, while also supporting improved local employment objectives.

## Project targets and timeframes driven by local needs

Consultations expressed concerns that Australian and Queensland Government requirements to deliver programs within tight timeframes and to meet specific targets can alter the costs and benefits of hiring local labour versus contracting in labour. Contracted-in labour often involves existing relationships between providers and agencies and known capabilities, whereas hiring local labour might involve investments to build capabilities either through formal training or on-the-job training. Apart from the extra funding that may be necessary to support investments in local capabilities, the choice to use local labour might introduce additional risk to the project as a result of both cost and timing considerations.

To rebalance the equation more in favour of the employment of local labour in delivering projects and services, government should ensure that the process of establishing targets and project timeframes accommodates the needs of local Indigenous people to participate fully, which may include, for example, adjustments to funding to support investments in skills development, and longer delivery timeframes. The contracting reforms discussed in PC (2017) and adopted in Chapter 8 will also support improved local employment outcomes.

## Choice of technology and implications for employment

The Queensland Government, councils, community organisations and businesses face choices when considering how best to address the need for the provision of a good or service. For government agencies these choices occur both where a good or service is provided directly or where provision is contracted. The cost of producing a good or service is a function of:

- the amount of labour required multiplied by the wage rate
- the amount and price of intermediate inputs that are consumed in producing the good or service (such as energy and materials consumption)
- the cost of the capital employed and consumed in production, including whole-of-life cycle costs
- the level of technology.

Typically, different types of capital could be employed (e.g. different housing construction techniques and materials, different road construction and maintenance machinery and equipment, and alternative garbage collection and disposal models). The choice of capital to invest in usually has implications for both the amount of labour required to produce a good, or provide a service, and the skills required to do so. Technology choices that are complementary to high skill levels can bias investment against local jobseekers. There are also usually trade-offs between the number of employees required to provide a good or service and their skill levels.

Different choice 'bundles'—the specific combinations of labour, capital and intermediate inputs—can have similar whole-of-life costs while resulting in different employment outcomes. Where a bundle has a higher cost, but also has higher labour demands, then, given the high rates of unemployment in communities, what is the value from a community perspective in choosing the higher cost bundle (assuming they have the authority and financial resources to do so)?

The provision of housing under NPARIH provides a case study in how the unintended consequences of a number of policies influence the choice of housing designs and combine to foreclose on, or at least not support, local industry development (Box 9.6).

## Box 9.6 Remote housing construction technology

The *Remote Housing Review* found that NPARIH had generally achieved targeted employment outcomes:

*In Queensland, officials reported the highest rate of Indigenous employment, showing a steady increase from 36 per cent in 2010–11 and reaching 87 per cent in 2014–15. In 2015–16, Aboriginal and Torres Strait Islander apprentices and trainees worked 101,040 overall core hours (across approximately 632 FTE positions), and 25,325 hours (across approximately 159 FTE positions), on social housing construction and other housing and infrastructure projects in remote and very remote Indigenous communities. The strong employment outcomes were largely supported by the Panel's observations on consultation visits. (DPMC 2017, p. 57)*

However, employment outcomes could have been improved beyond small trades employment by making different housing design decisions. The choice of designs, while guided by national guidelines, appear influenced by existing policies which produce poor outcomes:

- the housing stock is a social housing stock—there is very little private ownership
- social housing results in different incentives for tenants than for private home owners. Social housing tenants have no financial incentive to maintain or improve a home which they do not own, although they do benefit from the 'service' provided by the house
- the difference in financial incentives contributes to the lower level of effort tenants put into the upkeep of homes compared to homeowners. A moral hazard problem is present in that the lack of ownership alters behaviours so that less care is taken in avoiding behaviours that increase maintenance and repair costs
- under NPARIH, basic tenancy requirements and tenant responsibilities have been significantly weakened, which will likely re-inforce or contribute to a further erosion of behaviours
- the expected higher maintenance and repair costs influences the financial decision of choice of housing construction technology. Technologies which minimise maintenance requirements are preferred (for example, are harder to damage—built to be 'hosed out')
- these technologies (besser brick, concrete slabs and metal roofing) are imported from southern locations, and there is little prospect to produce these inputs locally, in contrast to designs with higher wood content (hardwood flooring and decking).

The consequence of these choices is that the provision of social housing does not support the development of upstream supply chains for the supply of inputs to home construction, although there is potential for further development of a timber industry. The choices may also reduce demand for labour for ongoing maintenance (recognising that councils have made progress in this area).

## 9.6 Summary

Getting the economic framework right requires changes in policy. But governments need to exercise significant caution in unilaterally implementing policies to support economic development. Expenditure programs and other policies should be coordinated within a place-based approach focused on long-term development.

Active policies to support development run the same types of risk as has been realised in government service provision. The provision of services, including those to alleviate hardship, resulted in unintended consequences by creating conditions that led to a permanent and growing 'need' for further service delivery. Top-down active development policies may have similar unintentional impacts.

Progress appears to be happening outside government, led by private and community initiatives. Assisting or enabling those private and community initiatives should be a focus of policy, along with establishing some basic prerequisite conditions for development.

Strengthening individual, institutional and system-wide incentives for change is needed. Aligning incentives, integrating policy within an overall development framework, and supporting governance structures are necessary. These are important features of the reforms proposed in Chapters 7 and 8. The proposed new institutional arrangements and community plans are a useful mechanism for guiding efforts to promote development.

The Queensland Government has implemented policies—employment targets and procurement policies—that may contribute to improved employment outcomes for Indigenous residents of communities. These impacts will take time. However, they are unlikely to be sufficient if not complemented by fundamental changes in incentives and a much improved coordination of policy. These changes need to be led by communities within an institutional framework of the sort proposed by the inquiry.

While a range of issues and options have been considered in this chapter, few of the issues have been looked at in the level of detail required to make major policy change recommendations. And other issues, such as the role of regulation or planning processes in development, have not been considered. Importantly, given the significance of the issues being examined, and their complexity, going beyond the consideration of options is not in the spirit of the recommended reforms which seek to provide communities with much greater scope to drive change.

---

### Recommendation 7

To enable economic and community development, the Queensland Government should:

- remove impediments to Indigenous community private sector activity, including divesting itself of assets that have the potential to displace or crowd out individual or local initiative and investment opportunities, such as retail stores
- make the growth of an Indigenous private sector in and around communities an explicit objective of policy and central to designing economic development policies and service delivery programs.

### Recommendation 8

The Queensland Government should partner with the Australian Government to achieve a step-change in the incentives facing jobseekers to prepare for, seek and maintain employment. This includes investigating ways in which the income support system, and its integration with state service delivery, can be reformed to better incentivise employment and economic participation by residents in communities.

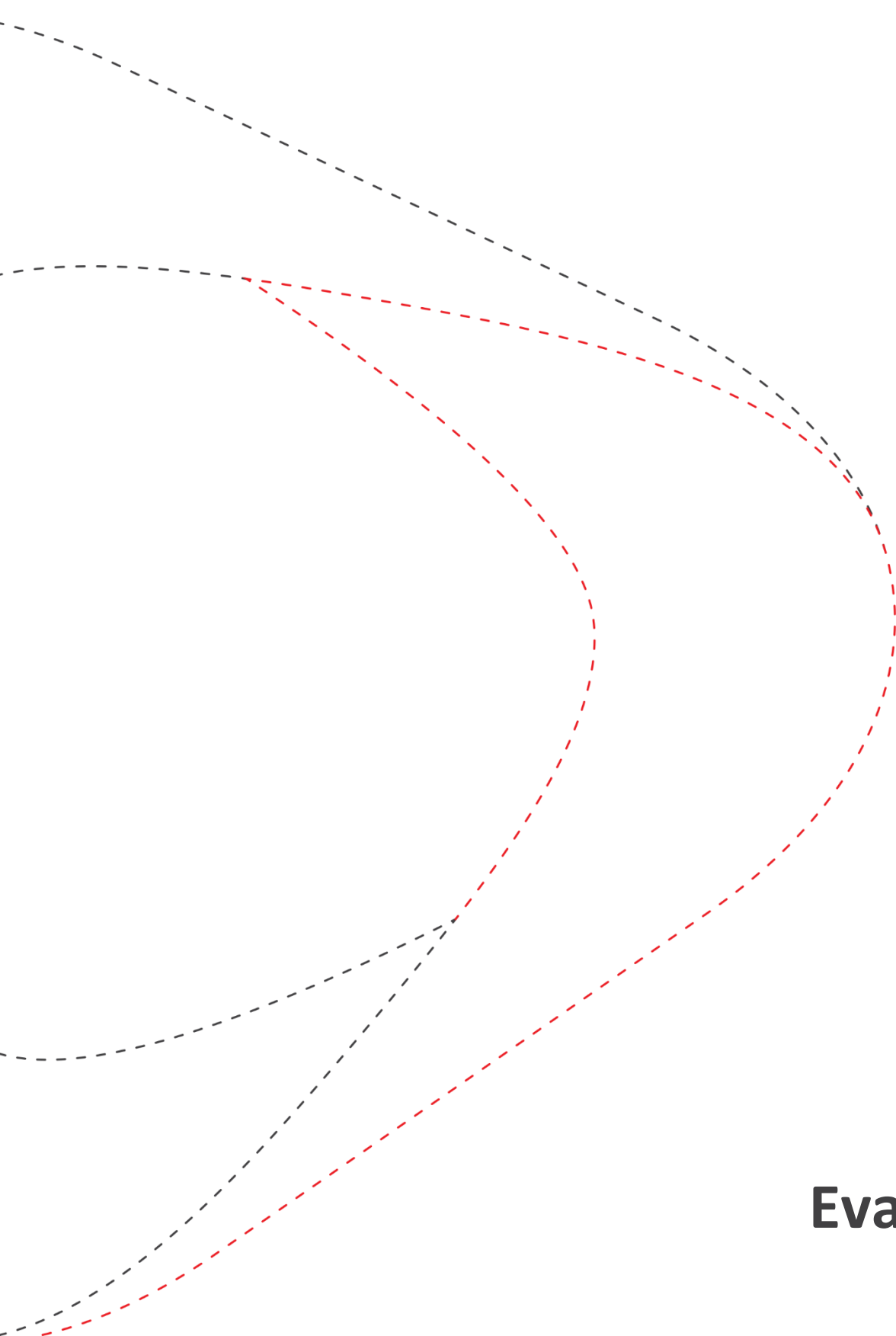
## Recommendation 9

To assist with achieving the Queensland Government's Indigenous employment target, agencies should be required to report publicly on progress in achieving the target, including their progress in preparing local Indigenous people to participate in local service delivery activities.

Reporting may cover the number of people being skilled, the number of jobs that have been transitioned to being filled by a community resident, and an estimate of the aggregate number of jobs in the community in service delivery positions filled by external employees.

Agencies should also review and report on training needs and barriers to employment resulting from increasing credentials and standards.

---



# 10.0 Evaluation

*The terms of reference for this inquiry asked us to investigate and report on a framework for, and best practice approaches to, evaluating the effectiveness and efficiency of service delivery in remote and discrete Aboriginal and Torres Strait Islander communities.*

*This chapter discusses these issues and makes recommendations to improve the culture and effectiveness of evaluation. It should be read in conjunction with the reform proposal outlined in Chapter 7.*

## Key points

- Evaluation is especially important in remote and discrete Aboriginal and Torres Strait Islander communities, since in many of these places, services are delivered or funded by government, giving residents little choice about the services they access, and reducing market incentives to improve effectiveness or efficiency.
- The reforms discussed in previous chapters should be evaluated, to keep them on track and to ensure they are leading to improved outcomes, including value for money.
- The existing Queensland Government Program Evaluation Guidelines provide sufficient guidance for conducting ex-ante evaluations. However, these ex-ante approaches, on their own, are unlikely to be sufficient to drive or support the level of innovation required to achieve better outcomes in remote and discrete communities and may even undermine progress.
- There are practical considerations that make evaluation difficult in remote communities, including difficulties establishing causality and the long timeframes required to achieve change. Even the most well-designed evaluations can leave themselves open to interpretation based on prior opinion, philosophy or politics.
- A more practical and informal evaluation approach with more relevant and timely information to communities will be most effective in developing solutions that work in a local context. Communities need to be involved in monitoring and evaluation, including the design of indicators of progress that are important to them.
- The structural reforms discussed in previous chapters will help to underpin and incentivise evaluation, since agreed expectations about outcomes, and how these are to be measured, should be set out in agreements between government and communities.
- The Commission also recommends the government adopt a framework for evaluation that:
  - assesses the progress of agreed reforms
  - reviews jurisdictional (regional or community) outcomes
  - assesses the extent to which localised decision-making and innovation is supported.
- Independent oversight of the framework will be required to ensure that stakeholders have confidence in the reform process and that evaluation is free from bias.
- Existing grant funding arrangements should be reviewed to ensure that compliance requirements are necessary and proportionate to the level of funding and risk.

## 10.1 Introduction

Evaluation is an essential component of service delivery, particularly where services are delivered or funded by government (Muir & Bennett 2014). It provides a systematic mechanism for collecting information and using this data to understand what is working and what is not. It can help stakeholders to track progress as programs are rolled out, and to determine whether a program is achieving its intended outcome, remains the best policy response and is delivering value for money:

*Evaluation matters. Too often it has been an afterthought ... seen as an optional luxury for well-funded programmes, or done only if a donor requires it. This must now change, so that the role of evaluation is understood as an opportunity for organisational and individual learning, to improve performance and accountability for results, and to build our capacity for understanding why some programmes and initiatives work, and why others do not. (WHO 2013, p. v)*

Evaluation is particularly important for service delivery in remote and discrete communities:

- In remote communities, mistakes may be hidden from general view—there may be significant, and costly lags before mistakes are identified and rectified, unless appropriate evaluation mechanisms are in place.
- Residents often have little choice when it comes to service provision as there is generally only a single government funded service provider—rigorous program evaluations help to make services accountable to users.
- Finally, evaluation, when done properly, can inform program design and help providers to adapt the way they deliver services to meet the needs of Aboriginal and Torres Strait Islander people in remote and discrete communities.

Despite widespread recognition its importance, the current approach to evaluation and monitoring of service delivery in remote and discrete communities is not working as well as it could. This is holding back the design and delivery of services, constraining innovation and failing to ensure that service delivery is accountable to the communities it should be serving.

To some extent, the deficiencies of evaluation can be applied to service delivery more broadly. Many of the same issues that apply to remote and discrete communities—such as a lack of funding for evaluation, a failure to build evaluation into program design and a lack of transparency—also apply to many government-provided or -funded service delivery across Australia. However, the lack of evaluation has disproportionately large impacts in remote and discrete Aboriginal and Torres Strait Islander communities, who are almost completely reliant on externally funded and delivered programs, and are far removed from decision-making processes that happen in agency head offices.

Changing this will be challenging. It requires cooperation across government, long-term commitment and need to provide room for communities and service providers to innovate and adapt to changing circumstance. There are also real technical challenges that make effective evaluation difficult in remote and discrete communities.

This chapter:

- provides background about evaluation—what it is, how it is done, what best practice looks like and the key challenges presented by remote and discrete communities
- makes the case for change—including stakeholder experiences
- presents a framework for evaluation of service delivery in remote and discrete communities.

## 10.2 Background to evaluation

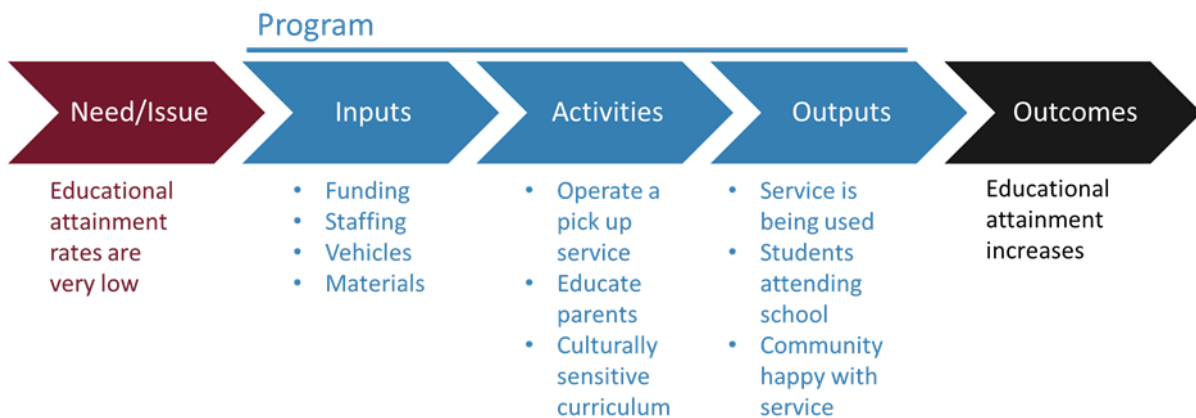
### Typical approaches to evaluation

There are three commonly described approaches for program evaluation (Gertler et al. 2011; NSW Government 2016; Queensland Treasury 2014):

- **Process evaluation**—is the service implemented, is it being delivered and is it reaching the people as it was intended?
- **Effectiveness (or impact) evaluation**—is the service achieving the outcomes it intended to achieve?
- **Efficiency evaluation**—is the program efficient (are there better ways of providing the service) and does it provide value for money (do the benefits outweigh the costs)?

These methods typically rely on an understanding of the way in which inputs, activities and outputs are used to achieve outcomes—the program logic (Figure 53).

**Figure 53 Program logic—**from needs to outcomes, evaluation can assess any or all of the components of a program as well as the outcomes the program is seeking



A **process evaluation** is the simplest of the three approaches and focuses on the inputs (staff, equipment, expenditures) and outputs (customers served, services provided). A process evaluation can assess the adequacy of service delivery mechanisms, management practices and the acceptability or suitability of services to stakeholders.

An **effectiveness (or impact) evaluation** focuses on outcomes. This type of evaluation is more complex, since it needs to establish a causal link between the program and any changes to outcomes—this requires consideration of what would have occurred as a result of the program, in comparison to what would have happened in the absence of the program (the counterfactual).

An **efficiency evaluation** provides information on the extent to which a program is efficient and provides value for money. Efficiency may relate to whether the program is being delivered at the lowest possible cost, the program is delivered to the area of greatest need, and whether the program has continued to improve over time (for example, by keeping up to date with technological advancements). An efficiency evaluation may also take a broader scope and attempt to determine if the program provides a positive social return (the benefits of the program outweigh the costs) and whether better returns could be generated by spending the money on other things.

The approach adopted will depend on the purpose of the evaluation, the level of complexity required, practical difficulties and the costs of conducting the evaluation. Queensland Government Program Evaluation Guidelines set out the government’s preferred methods and approaches for evaluation (Box 10.1).

### Box 10.1 Queensland Government guidelines

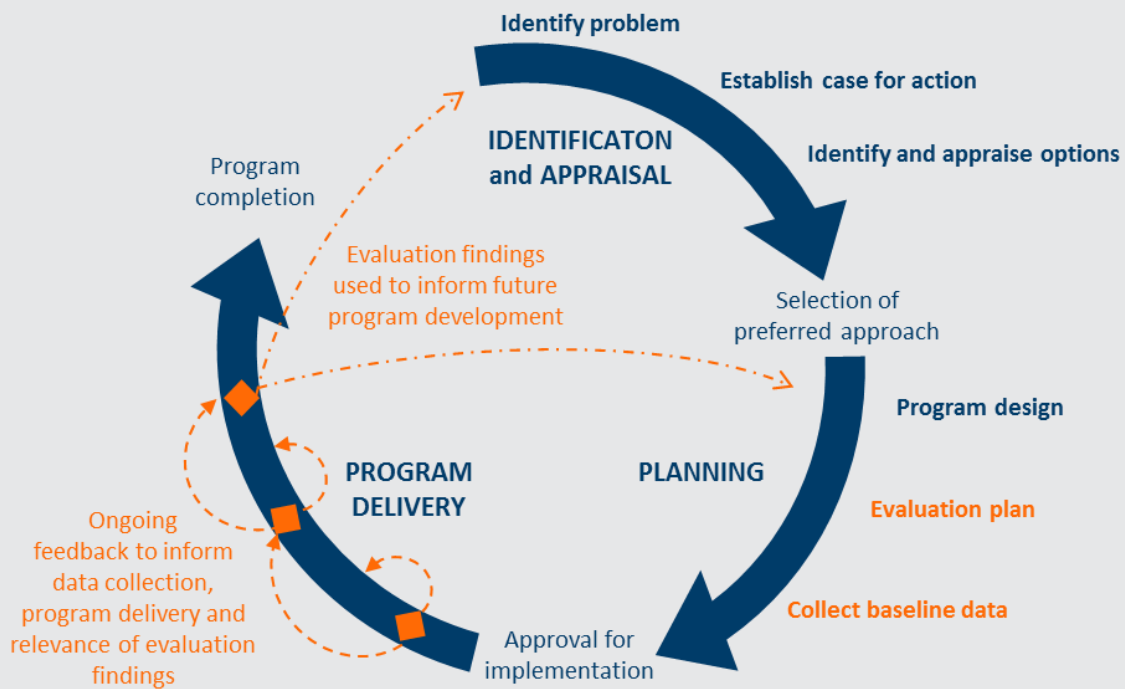
The Queensland Government Program Evaluation Guidelines (Queensland Treasury 2014) outline the broad principles expected for evaluations of programs (including services) funded by the state, and set out standards for planning, implementing and managing these evaluations.

The guidelines take a practical approach to evaluation, and advise that the evaluation approach (process, effectiveness or efficiency) used should suit the circumstances, including the size of the program being evaluated, the risks involved and the stage of program delivery.

The guidelines are voluntary, and there is no formal mechanism for supporting organisations seeking to conduct evaluations of service delivery.

They do not provide any specific guidance for evaluations in an Indigenous or remote community setting.

**Figure 54 The evaluation process—Queensland Government program evaluation guidelines**



Source: Queensland Treasury 2014.

There has been a growing push for evaluations to focus on achieving improvements in outcomes for the people they service rather than simply focusing on outputs (Gertler et al. 2011). While there is a general consensus that measuring outcomes is desirable, there is some debate amongst practitioners as to whether this is practical, particularly in the context of Indigenous affairs (Altman et al. 2008; Cobb-Clark 2013; Guenther et al. 2009; Hudson 2017; James 2012, Moran 2016).

At a roundtable discussion on evaluation of Indigenous policies, hosted by the Productivity Commission in 2012, many participants felt that evaluation should identify what works and why, and that the continuation of program funding should be questioned if outcomes could not be conclusively demonstrated. Others, however, stated that this was unrealistic and that problems in the underlying system architecture that make it difficult to isolate a program's outcomes do not mean that a program is not worthwhile (PC 2012).

## Best practice

The World Health Organisation (WHO 2013) identifies five key principles for best practice evaluation:

- Impartiality—there should be an absence of bias in process which contributes to the credibility of the evaluation and allows findings to be accepted and trusted by stakeholders.
- Independence—evaluation should be free from the control or undue influence of others, including from policy makers and program participants.
- Utility—findings should be relevant and useful to stakeholders. Reports should be accessible to stakeholders, available for public access and there should be systematic follow-up of recommendations.
- Quality—evaluation criteria should be appropriate and accurate, evidence should be presented impartially and there should be coherence between findings, conclusions and recommendations.
- Transparency—stakeholders should be aware of the purpose and objectives of the evaluation, the methods of evaluation and the purpose to which the findings will be applied. This requires continuous consultation and involvement with stakeholders, and that reporting is complete and made public, unless publication is not in the interests of service recipients.

To be most effective, evaluation needs to be incorporated into service delivery, rather than occurring as a separate process, or even afterthought (James 2012). Best practice requires that planning for evaluation should start during program design, and where required, baseline data should be collected prior to implementation. After the program has commenced, there should be ongoing feedback between the evaluation and the program, to refine the collection of data, improve program design and to drive continual improvement (Chaney 2012).

Mayne (2010) and Stewart (2014) argue that for evaluation to be effective, a culture of evaluation needs to be established—this includes leadership by example, visible and consistent support for evaluation, decisions routinely informed by results, honest mistakes tolerated and learned from and evaluation being adequately resourced and funded. Mayne (2010) acknowledges the difficulties this typically presents for government:

*Where this involves organizations led by ministers, a question not really addressed is how to get politicians to support an evaluative culture, especially given their frequent predilection for controls when things go wrong, and concerns about waste and mismanagement. Obviously, forms of education might help, as might the availability of empirical evidence when needing to defend programs. I suspect also that evidence that adequate controls are in place would be needed, as well as evidence on results ... Building an evaluative culture at the political level remains uncharted territory! (Mayne 2010, p. 22)*

Cobb-Clark (2013) argues that increasing transparency and a much wider dissemination of results is central to raising the standards on program evaluation. She draws parallels with the successes achieved in the health sector from increased transparency and argues that a higher level of openness:

- increases pressure on evaluators to lift their game
- allows evaluations to be assessed against sound scientific principles so that judgements can be made about which to weight more heavily and which to ignore
- provides opportunities for informed debate on the issues facing Indigenous communities

- increases the chances for sound decision-making.

There is also a growing recognition that evaluation approaches are not one-size-fits-all and that several issues need to be considered when conducting evaluations in remote Indigenous settings. Best practice approaches for evaluation in an Indigenous perspective might include:

- involving local people in the design and implementation of policy—evaluation is just another step in policy design and implementation and should also involve the residents of Aboriginal and Torres Strait Islander communities (James 2012, see also Box 10.2)
- engaging local Indigenous researchers—the use of local people increases acceptance and trust, ensures surveys make sense in a local context, and gains access to the views of people who are not normally asked for their perspectives (Price et al. 2012)
- ensuring that evaluations are culturally competent—the culture-based assumptions of both those doing the evaluating and those being evaluated are fully understood and accounted for (Chouinard & Cousins 2007)
- ensuring that the outcomes of an evaluation are accessible and useful to communities and local organisations—effective evaluations should act as catalysts for instigating change by empowering communities (Price et al. 2012; Taylor 2006).

## Box 10.2 Participatory Action Research (PAR)

PAR approaches may offer opportunities for improving evaluation and including participants in designing solutions for complex problems. PAR is not a one-size-fits-all approach, but is built on the central tenet that all participants, including service users, should be engaged in every aspect of evaluation from defining the problem, gathering and analysing data, to preparing recommendations (McGarvey 2007).

Dudgeon et al. (2017) describe the use of PAR in 11 communities in remote communities in Western Australia as part of the National Empowerment Project (NEP). The NEP is an innovative Aboriginal-led project built around the use of PAR to give communities a voice, to design strategies for promoting well-being and building resilience, and for supporting change processes at both the individual and community level.

The authors suggest that the PAR approach played a key role in achieving real outcomes by building capacity and capability for individuals to take charge of their lives and support their communities.

*This project gives a voice to communities in identifying the factors impacting on their social and emotional well-being and supporting them to see themselves as agents of social change. (Dudgeon et al. 2017, p. 10)*

## 10.3 Limitations and challenges for conducting evaluation in remote and discrete communities

The difficulties with measuring outcomes and/or attributing success (or failure) to a single intervention are accentuated in remote and discrete Aboriginal and Torres Strait Islander communities.

One reason for this is that many of the outcomes that program or services are trying to achieve may involve very long timeframes—for example, it has been estimated that it will take over 100 years to close many of the gaps in Indigenous disadvantage currently being targeted by federal and state initiatives (Altman et al. 2008). Although it may be possible to undertake a process evaluation (where the evaluation is concerned with measuring outputs, such as numbers of patients seen) early in the life of a program, understanding how a program affects outcomes may not be possible for many years.

A second reason is that it may be particularly difficult to establish causation in remote and discrete communities. Cobb-Clark (2013) identifies five factors that are specific to Indigenous communities that make evaluation of outcomes particularly problematic:

- For cultural, historic and political reasons Indigenous communities may be unique—this makes it challenging to define a meaningful control group against which to measure outcomes.
- It can be difficult to assess outcomes at the individual level because of extended, fluid family structures and cultural norms for resource-sharing.
- The highly political nature of Indigenous policy means it can be difficult to have a scientific process for random selection for treatment.
- The myriad of interventions likely to be occurring within communities means that it is difficult to single out a particular program or control for differences between communities.
- Many data sources have insufficient numbers of Indigenous respondents for analysis.

A further complication is that many organisations in remote and discrete communities have a broader mandate than is covered under their funding agreement. During consultation, we observed that almost every organisation we spoke with was undertaking a wide range of tasks, and in many cases, were spending most their time on non-core activities. This generally was not by choice, but because many clients had immediate needs (such as a need to sort out issues with Centrelink) that were not being addressed elsewhere.

These issues suggest attempting to measure progress towards the achievement of outcomes can sometimes waste valuable resources and, at worst, may be used to justify funding being cut or programs modified because progress cannot be demonstrated (Chaney 2012). On the other hand, Guenther et al. (2009) disagree with an assessment that outcomes cannot be measured, arguing that complex programs in remote Indigenous settings can be assessed, but that the measures of success are not necessarily numerical or easily fit government reporting requirements.

Stakeholders expressed concern that the ambiguity inherent in even the most rigorously conducted evaluations carries the risk that they can be misused:

*[T]he answer to the problems that afflict our children, families and our places will not be found ... even through the most conscientious application of the rhetoric about the need for more rigorous evaluation, application and adaption of 'what works' evidence or 'best practice' approaches. Indigenous communities are not laboratory environments, and the science of evaluation in such complex settings is not as precise as much of the rhetoric may suggest ... in such cases, even impact evaluations using the best quasi experimental design, leave themselves open to still be used on the basis of opinion, philosophy or politics. (CYI sub. 26. p. 23)*

A more pragmatic approach may well be required that acknowledges the process of by ‘muddling along’ and learning-by-doing, rather than following a prescriptive policy agenda (Chaney 2012; Moran 2016). Adopting this more pragmatic approach to evaluation may well mean that current evaluation approaches need to be adapted to allow greater flexibility.

## 10.4 The importance of data

The way that information and data is collected, used and presented can have real impacts on Aboriginal and Torres Strait Islander communities. Data are used to shape debate and influence policy decisions, identify areas of greatest need and direct resourcing, and allow monitoring of progress over time (Biddle 2014).

Data that are used well provide a robust evidence base that can help ensure that policies are well designed and that resourcing is going to the right things (Banks 2009). However, data collections that are poorly designed, poorly understood, incomplete or used incorrectly can distort decision-making and lead to inefficient or wrong outcomes.

The outcomes of interest to remote and discrete Aboriginal and Torres Strait Islander communities can be very different to the outcomes of interest to governments (Biddle 2014). This can lead to a disconnect between policy formation and the achievement of progress in improving community wellbeing on the ground. It is now widely accepted that effective policy and program design needs to be led by (or at least informed by) Indigenous people rather than government (PC 2012). Enabling this kind of community-led decision-making can only happen when communities have access to the kinds of information in a form that is useful to them (Biddle 2014).

It is widely recognised that Indigenous people’s perceptions and understandings of wellbeing extend beyond, and often conflict with, many of the indicators currently adopted by reporting frameworks (ABS 2001; OECD 2011; Taylor 2006; Malezer 2012)). The United Nations’ workshop on Indigenous Peoples and Indicators of Wellbeing concluded with a series of forceful statements on the need for more rights based indicators, including control over land and resources, equal participation in decision-making, preservation of culture and control over development processes (United Nations 2006).

Given the difficulties with attributing outcomes to any single service or program, and the need to consider Indigenous perspectives, it would be appropriate to measure progress against broader and more holistic measures of wellbeing than are being used in the current, limited reporting on outcomes in communities (Limerick 2009). Wellbeing measures have been widely used to track and report on progress in Indigenous communities around the world (Box 10.3).

## Box 10.3 Wellbeing Indicators

Wellbeing measures take a broader view of progress than typical economic indicators such as GDP or employment and usually combine a number of economic and social indicators into a single easily tracked measure (ABS 2001). They normally use a range of social indicators, such as health, social cohesion and economic status, that matter to the individuals or communities concerned.

A number of approaches have been adopted across different jurisdiction. However, most measures use relatively simple metrics that are collected regularly (such as through the Census or through regular social surveys). Some of these are considered below.

**OECD Wellbeing Indicators**—a compendium of indicators that the OECD considers as important measures of wellbeing (OECD 2011). Indicators include measures relating to material living conditions (income and wealth, jobs and earnings and housing) and quality of life (health status, work and life balance, education and skills, civic engagement and governance, social connections, environmental quality, personal security and subjective wellbeing).

**The Canadian Community Wellbeing Index (CWB)**—a measure of the standard of living and quality of life for all Canadian communities, including First Nations (Flanagan and Beauregard 2013). The index is produced by Indigenous and Northern Affairs Canada (INAC) and is composed of data on income, education, housing conditions and labour force activity.

**United Nation’s Development Programme’s Human Development Index (HDI)**—the HDI was created on the understanding that people and their capabilities should be the ultimate criteria for measuring the development of a country, not economic growth alone. It combines three key dimensions of human development: a long and healthy life, being knowledgeable and having a decent standard of living (Anand & Sen 1994).

**Social Progress Index (SPI)**—a measure of social progress developed by the non-profit sector as a response to the over-reliance on economic indicators. The index excludes any economic variables and is based on a range of social and environmental indicators based on three dimensions of social progress: basic human needs, foundations of wellbeing, and opportunity (Stern et al. 2016).

**Growth and Empowerment Measure (GEM)**—the GEM was developed as a tool to measure the progress that various interventions were having on empowerment. It seeks to measure people’s perspectives of their psycho-social wellbeing and empowerment at the individual, family and organisational level (Haswell et al. 2010).

## 10.5 Current practice—assessment of effectiveness of evaluation in remote and discrete communities

The evidence available to this inquiry suggests that evaluation of service delivery in remote and discrete communities is not as effective as it should be. This was confirmed in our review of the literature (Box 10.4) and from conversations with stakeholders.

A common complaint is that there is little proper or effective evaluation of programs with (DOFD 2010; Hudson 2016b; SCRGSP 2016a). In Queensland, there are few publicly available, formal evaluations of service delivery to Indigenous communities. Those that are available tend to be part of larger Australian Government programs, such as the recent review of the National Partnership Agreement on Remote Indigenous Housing (DPMC 2017).

However, the problem is not simply one of ‘not enough evaluation’. It appears that there is a significant amount of time, energy and money is spent on monitoring and evaluation in Indigenous affairs. For example, the Australian Institute of Health and Welfare’s Closing the Gap Clearinghouse Research and Evaluation Register reveals 1,249 evaluation studies. Our tentative view is that the effort spent on evaluation in the Indigenous space is comparable to the effort spent evaluating social services, generally.

Stakeholders were clear that current evaluation efforts are not working.

*The other thing that’s really difficult in this is the evaluation stuff. And I don’t have any easy answers for you here. I just know that the typical evaluations...conventional evaluation frameworks. They are of limited use...I can tell you that most of the evaluations that are done don’t actually tell you what happened (Interview with Mark Moran)*

A big part of the problem is that current evaluation efforts focus on the wrong things. Most effort appears to be on either ensuring accountability for expenditures (compliance) or demonstrating value for money, rather than on finding ways to improve outcomes. This was reflected in stakeholder comments:

*I would urge the Commission, however, not to advocate for a narrowly conceived approach to monitoring and evaluation that focuses only on service outputs and value for money measures. Rather, government’s formulation of what are the “funded outputs” for services and programs in Indigenous communities needs to recognise that community capacity-building and community governance are significant outputs of government investment in themselves... Government funding models need to recognise and place a value on the capacity-building outputs, as it is this capacity that has the potential to create long-term positive change in Indigenous communities (Michael Limerick sub DR05, p. 5)*

*Rather than ad-hoc program specific evaluations, regular (3-5 year) cycles of evaluation are needed that evaluate a package of programs directed to a specific problem or outcome. (PICC sub. 29, p. 10)*

*Use of a reflective practice approach to evaluation relies on a two-way exchange, with the experiences of those delivering the program being used to inform its ongoing implementation. Although this approach might not meet the ‘gold standard’ in terms of research evidence, it would be more practical and achievable given limited resources. There is no point conducting ‘rigorous’ evaluations, if the evidence is not used. Instead of focusing on having the highest standard of evidence for assessing the impact of a program (such as in RCTs), it may be more practical to consider how to ensure evaluation learnings are used to inform program practice, similar to continuous quality improvement processes used in the health sector. (CIS sub. 21, p. 7)*

## Box 10.4 Evaluation in remote Indigenous settings—evidence from the literature

The literature suggests that evaluation efforts have not been as effective as they should be. This is not because evaluation cannot be effective, but rather, the system in which evaluation occurs does not allow for learnings to be taken on board and for service delivery to engage in adaptive practice.

*The positive examples of evaluation which come to mind relate to corporations rather than government. I sit on the board of a provider which works in government schools, but with external funding coming from the private sector, mainly miners. We are regularly independently evaluated and have non-government funding relationships that extend over more than 15 years. Our funders are interested in learning as we go. They participate in the management of each individual project and, so far, have extended their support as we learn from what we are doing ... This sort of evaluation leading to action makes sense.*

*Miners, with their experience of project management, better understand taking responsibility for managing towards a long-term outcome, dealing with complexities and problems as they arise. You learn from mistakes, stop doing things that are unproductive and actively look for what will work. You do what needs to be done to achieve the objective. (Chaney 2012, pp. 60–61)*

This inability to encourage adaptive practice often appears to arise because of political demands:

*Many – perhaps even all – public policy evaluations in Australia are conducted under exactly these [political] sort of constraints. However, while it may be possible to ‘rescue’ some semblance of an evaluation strategy with very clever lateral thinking, it is critical to realise that in the end we may not have actually learned very much. Often ‘better than nothing’ passes for ‘good enough’, leaving us as uninformed as ever, despite having spent millions (or even tens of millions) of dollars on the evaluation exercise. (Cobb-Clark 2013, p. 85)*

These political demands, in turn, encourage a cyclical pattern of change:

*We have titled this report ‘Don’t let’s lose another good idea’ as a reflection of the concern that just as the evidence is emerging that something is working well, there will be a repeat of the old pattern of dispensing with a good initiative and trying something new. The review team urges that the lessons from this initiative are understood as being extremely relevant today and that the growing confidence of Indigenous communities in the SRA process is recognised and built upon. (Morgan Disney 2007, p. 7)*

A better approach may be for more informal approaches to evaluation:

*The challenge then for Indigenous affairs policy is how to take the current ad-hoc standards of ‘muddling’ or ‘gaming’ in practice, to a more proactive and transparent alignment with policy. This would require administrative mechanisms to be built around local organisations rather than external grants.*

*The nature of Indigenous development is flawed and fluid. Mistakes will be made and resources will be captured by elites, much as it occurs in mainstream local government. There will be capability gaps and, at times, corruption. But if the systems are designed around these weaknesses alone, then the result will be less space for capacity and innovation to grow. (Moran 2016, p. 195)*

Perhaps most worryingly, we found little evidence of evaluation being used to support continuous improvement or innovation in service delivery. Rather, most monitoring and reporting appeared to be compliance related, generating little useful information for communities or service providers:

*There is little evidence of either measurement or evaluation of activities being undertaken by stakeholders in the region to determine whether these are having a real impact on the level of disadvantage being experienced or demonstrating a return on investment for funding bodies. (TRSA sub. 22, p. 3)*

*The reporting requirements are particularly unhelpful for organisations such as PICC as they do not capture the broad nature of the work and outputs/outcomes achieved as a consequence of the organisation working holistically within the community. (PICC sub. 29, p. 9)*

*Reporting requirements which focus on output reporting, do not provide the information required to report on the outcomes or longer-term impact achieved by an organisation. Additionally, reporting requirements which focus on capturing the number of minutes spent with a client may account for 'Service Hour' reporting, but does not account for the quality and level of a service provided. (ICAN sub. 17, p. 12)*

*At times it is clear that funding bodies place more emphasis on funding compliance than actual service delivery outcomes. Often compliance issues raised with the organisation are of a minor nature such as a query over the percentage allocation of funding to individual cost codes within a service budget. Responding to such queries is time consuming and repetitive, and the requests are often generated by Departmental staff with limited understanding of the operations of an NGO (PICC sub. 29, p. 8)*

*What is required is 360 degree evaluation. However, the reality is, government doesn't want to be evaluated. (Stakeholder meeting, Cherbourg)*

*Torres Strait Island Regional Council (TSIRC) has 15 sets of infrastructure to supply drinking water to its 15 communities. Drinking Water Quality Management Plans are required for each individual system. The result is that, while a small remote council of 5,000 residents, the TSIRC is completing almost eight times the reporting of large well-resourced councils such as Cairns Regional Council.*

*TSIRC find that this reporting is not of much benefit, as it is too cumbersome to keep up to date and does not add value to service provision or asset management. The limited staff and engineering consultants are spending valuable time reviewing, auditing and updating drinking water quality management plans which could be better spent solving problems with operations and writing grant applications for much-needed funds.*

*Because TSIRC faces fines if these reports are not submitted in a timely manner, it is forced to allocate resources towards completing them. This in turn means that there is not human resources focused on resolving the issues on the ground. We then need to hire engineering consultants to assist in completing compliance reports, at considerable cost.*

*A shift in the approach to compliance in Departments such as DEWS and DEHP is essential. The one-size-fits-all, inflexible and punitive response does not work to achieve outcomes for TSIRC's communities and it is not solution-oriented. (TSIRC sub. 12, p. 39-40)*

The amount of effort spent on monitoring and evaluation appears to be disproportionate to the level of risk. Stakeholders told us that there is little relationship between the level of risk or funding and reporting requirements. Many stakeholders told us that they spend enormous amounts of time and effort on reporting for little obvious reason.

*Within departments there can be wide variation in the onerousness of grant conditions; with one being a low burden on Council and another high. ... current flexibility within Departments to set grant conditions is resulting in inconsistent processes at the delivery level for Council. We are in a position with some grants, such as the Department of Communities, \$18,818 HACC grant where the cost and resources required to administer the grant makes the service delivery on the ground almost negligible ... Consideration should be given to scaling levels of reporting dependent on recipient's financial standing. (TSIRC sub. 12, pp. 17-18)*

The requirement to source grant funding from multiple sources adds large compliance burdens particularly when funding must be sourced from two levels of government, each with different reporting requirements.

*Where dual funding occurs across State and Federal programs, it would produce far better outcomes on the ground if the State and Federal governments invested up-front in working together to develop and streamline reporting requirements. The failure to do so has significant impacts on productivity and service delivery on the ground. (TRIRC sub. 12, p. 39)*

The current system also lacks transparency. Stakeholders raised concerns about the lack of information relating to large programs, including alcohol management programs and Welfare Reforms, however, they also cited concerns about the general lack of information and data available to communities, service providers and local decision-makers.

*There is very little evidence available around program evaluation and reporting. When asked, service providers say that "the council or community are not entitled to access this information – that it is confidential" and that they are only required to provide this to their funding agency. Government agencies have also been reluctant in the past to provide information about funding levels or real time data on program progress. (LGAQ sub. 14, p. 40)*

The lack of transparency (whether this is perceived or real) has generated a general mistrust of government and the way that services and programs are evaluated. As a result, many stakeholders wanted more independent oversight of evaluation and data. For example:

*A central independent body to coordinate and oversee evaluation in Aboriginal and Torres Strait Islander communities is an interesting suggestion. If done well, this may reduce the evaluation burden on communities (by identifying and avoiding duplication), build Aboriginal and Torres Strait Islander Evaluation capacity, and deliver on promises to co-design evaluations with community and provide feedback about findings. It could also be a mechanism to continuously collect outcome data common to many services and programs, and minimise the data required for individual evaluations. (Anon.)*

*When external evaluators are used, it is common for the government to insist that the results not be published. In short, the results of these evaluations are typically not independent, transparent or widely distributed. ... All of this is inconsistent with the move to evidence-based policy and undermines our ability to deliver on closing the Indigenous gap, raising educational achievement, and reducing social exclusion. (Cobb-Clark 2013, p. 90)*

The TRSA went one step further suggesting there needs to be independent assessment of reporting and outcomes:

*There is also a need to establish an Indigenous Ombudsman Office in Queensland to ensure there is an independent umpire to make sure targets and outcomes are met by all stakeholders delivering services in the region. (TRSA sub. 22, p.3)*

## 10.6 The scale of evaluation should suit the scale of reforms

Government service delivery has a large impact on remote and discrete communities. It cuts across multiple agencies, all levels of government, involves large sums of money and directly impacts on the service recipient behaviours (such as through welfare dependency, mobility and self-responsibility).

While there are numerous individual programs and service providers, their impacts of each are co-dependent. This means that it is virtually impossible to establish causality between any single program and outcomes observed in communities.

The reforms proposed in this report are also large and involve long time frames. A significant evaluation effort is needed to keep them on track.

The Queensland Government Program Evaluation Guidelines suggest that the scale of evaluation needs to suit the scale of the program (Table 27). The guidelines imply that any evaluation plan will need to allow for:

- an assessment of implementation of reforms
- an evaluation of impacts on outcomes
- independent oversight
- extensive consultation.

**Table 27 Scaling evaluation - Queensland Government Program Evaluation Guidelines**

Program characteristics	Evaluation design	Evaluator	Stakeholder consultation
Low risk Simple program design Low resource requirements Ongoing program Single delivery body Low potential for behavioural impacts	Qualitative assessment of implementation success and program efficiency built into program reporting could be sufficient.  Additional assessment should be undertaken where it is cost effective to do so.	The evaluation can be conducted by an internal evaluator, seeking advice and assistance from experts if required.	Consultation may simply involve program managers, but could also include individuals or institutions directly impacted by the program.
High risk Complex program design Pilot or trial program Multiple delivery bodies High potential for behavioural impacts	Comprehensive evaluation design that assessed the programs' implementation, efficiency and effectiveness from a whole of society perspective.	The evaluation should be managed by an external party, independent of the agencies involved in program delivery.	Extensive consultation with both the stakeholders listed above as well as: <ul style="list-style-type: none"> <li>- Evaluation experts on the appropriateness of evaluation design, methods and assumptions</li> <li>- Central agencies on the fit-for-purpose nature of the evaluation approach and potential findings.</li> </ul>

Source: Queensland Treasury 2014.

## 10.7 A framework for evaluation in remote and discrete communities

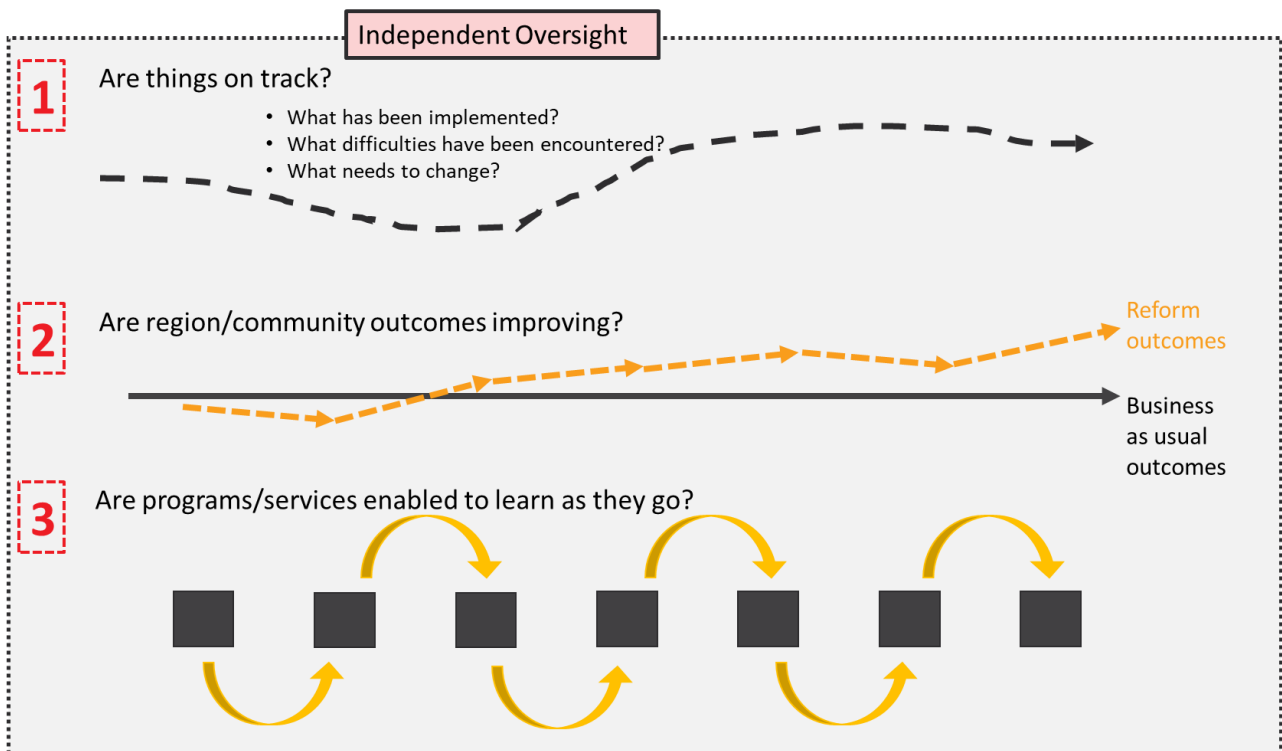
This section lays out an approach for evaluation in remote and discrete communities. It provides a framework that provides a balance between practical considerations, required accountability measures and the need to arm decision makers, service providers and program designers with the tools they need to improve on-the-ground service delivery.

There are three elements to the proposed framework:

- to keep reforms on track—an evaluation of the implementation of structural reforms based using a process evaluation approach
- to assess whether outcomes are getting better—a jurisdictional-level assessment of outcomes relative to a counter-factual (business-as-usual outcomes)
- to enable effective service delivery—support for individual program/service evaluation with a focus on enabling adaptive learning.

To provide confidence to all parties, the evaluation framework will need to be underpinned by independent oversight.

Figure 55 A proposed evaluation framework



The framework provides practical evaluation strategies that help to overcome many of the challenges identified earlier in this chapter. It will help ensure reforms are being implemented in the best way and remain on track, have the best chance of delivering real improvements for remote and discrete communities and are delivering value for money on public investments. Done well, the evaluation strategy should support improvements in service delivery and engender broader support for long terms reforms to the service delivery environment.

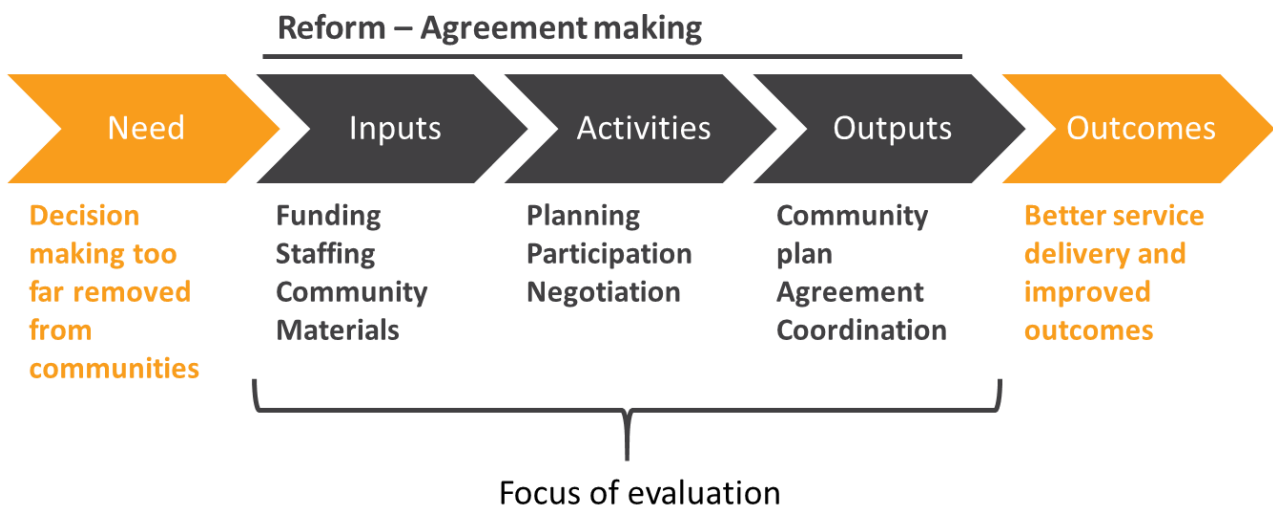
## Element 1: Evaluation of reform progress

The first element the recommended evaluation framework is to assess whether reforms have been implemented as agreed and whether outputs are occurring as intended.

The purpose is to understand what has occurred to date and to learn lessons that will improve implementation moving forward. The focus should be on inputs, outputs and processes, *not* outcomes.

For this stage of the evaluation it is important to understand the logic behind the reforms, and to ensure that the evaluation focusses on the key outputs that were required to achieve change (Figure 56). For example, the logic behind the structural reforms in Chapter 7 is that agreement making to devolve decision making and authority to communities will improve service delivery and outcomes. This means that a key focus of the evaluation should be to assess the agreement making process—this requires an understanding of the inputs used to support the process (and whether they were sufficient), what activities took place and whether outputs were produced as intended.

**Figure 56** Process evaluation of reforms requires an understanding of the program logic



While many factors will determine whether the reforms have been implemented successfully, key components will include that the reforms have been implemented on schedule and to budget, have delivered the agreed outputs to a sufficient standard and have met the expectations of stakeholders.

The key questions the evaluation should ask are:

- What has been implemented and is this consistent with the intent of the reforms?
- Have agreements been made and adhered to?
- What is the quality of governance arrangements?
- Have agreed milestones been met and targets for outputs been achieved?
- Are outputs of a sufficient quality and are they likely to influence outcomes as intended?
- Are stakeholders engaged with the reform process and what can be improved? Are stakeholders satisfied and do they have legitimate concerns?
- What lessons can be learned about implementation so far, and what needs to change?

The intent of the evaluation should be to understand what has happened during the reform process and why. It should identify any unintended consequences that have occurred during implementation and seek to understand how the implementation of reforms can be improved and built on.

Qualitative and quantitative evidence will be required to support this element of the evaluation framework.

It will be particularly important to gather stakeholder views on the integrity of the process and how things can be improved moving forward. The literature suggests that it will be important to enlist Indigenous evaluators in gathering the views of Aboriginal and Torres Strait Islander people living in communities can be heard (Price et al. 2012).

Evaluators will also need access to quantitative evidence, including expenditure and staffing levels, any monitoring data (for example, participation at community meetings) and program reports.

Consideration for how this evidence will be collected and collated should be made during the implementation stage of any reforms adopted by government.

## Element 2: Regional and community outcomes

To ensure accountability, and to provide confidence that large expenditures are achieving meaningful change, there needs to be monitoring of the outcomes occurring in communities and/or regions.

Given the enormous challenges in attempting to establish causal links between individual services or programs and community-level outcomes should often be considered the result of the service delivery system as a whole, rather than linked to any single program or service. Recognising that inter-relationships between the various programs and service providers is crucial to achieving outcomes means that meaningful results will be achieved by looking at outcomes at a region or community level rather than through service silos.

When looking at outcomes, it will be important to understand the jurisdiction that authorises service delivery. Under the proposed structural reforms, decisions about service delivery are made at either community or region level jurisdictions. This means that the appropriate regional level for examining outcomes may vary depending on the outcome being examined. For example, it would make little sense to examine community employment rates where regional approaches are being used to create employment by encouraging mobility. Similarly, it would not be helpful to examine outcomes at a regional level where different service delivery decisions are being made by each community in the region.

The outcomes to be included in any evaluation framework also need to consider the perspectives of Aboriginal and Torres Strait Islander people living in remote and discrete communities, as well as government and the broader community. These should be negotiated as part of the agreements between communities and government, and should consider holistic measures of well-being.

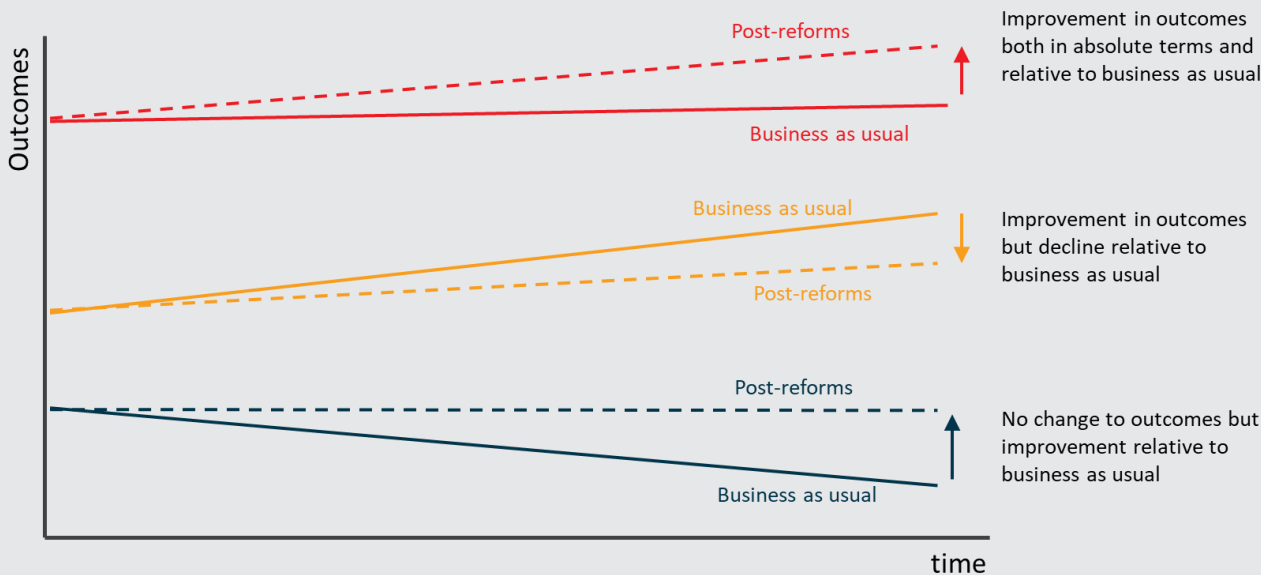
The Australian Bureau of Statistics (ABS) National Aboriginal and Torres Strait Islander Social Survey covers a range of social indicators that could form a more comprehensive picture of community wellbeing. As discussed in Chapter 7, consideration should be given to working with the ABS to extend the sample size of this survey, to provide a more complete picture of progress in remote and discrete communities.

When monitoring outcomes over time, it is important to consider how these change relative to a baseline (or business as usual expectations). Establishing these baseline expectations is necessary if decision makers are to make realistic assessments of the performance of the service delivery system (Box 10.5).

### Box 10.5 The importance of establishing baseline expectations

As shown in Figure 57 the interpretation of success is heavily influenced by performance relative to the baseline. For example, while outcomes may improve in absolute terms, reforms should only be considered a success if they improve things relative to the usual way of doing things. If the pace of improvement slows, any objective observer should conclude that reforms have not been successful. Similarly, if reforms do not lead to improvements in absolute terms, but stop a previous decline in outcomes, they should be considered successful.

Figure 57 Outcomes – three possible scenarios



Establishing baseline expectations about outcomes will not be easy. There are a wide range of factors to consider, including historical trends, but also endogenous factors that may influence outcomes. For example, when establishing a baseline for employment outcomes, economic influences such as mining investment activity would need to be considered as they have a large influence on the ability of service providers to influence employment outcomes in remote areas.

In the absence of any other information, the Commission recommends that business as usual outcomes be assumed to show no change. That is, the default assumption should be that the current service delivery system is having little effect on outcomes.

The other important consideration to make when assessing performance is the level of resourcing that accompanies any reforms. If there is an increase (or decrease) in resourcing to communities under the reform process, then expectations regarding performance should also increase (or decrease). Again, determining whether resources to communities have increased or decreased is not straight forward and may need to consider whether reforms have changed the level of resourcing that hits the ground in communities, rather than just the absolute levels of expenditures made across the service delivery system.

### Element 3: Evaluation to support program/service delivery

Perhaps the most important consideration of any evaluation framework is how well it supports improvements to service delivery.

A range of practical difficulties make evaluation challenging, not the least of which is that evaluations are expensive. Hudson (2017) estimates that the average cost of an evaluation is \$382,000. Clearly it will never be practical to conduct evaluations of every program implemented in Aboriginal and Torres Strait Islander communities.

Another factor that makes conventional evaluation approaches difficult to implement is that the potential solutions to the complex problems facing remote and discrete communities are not always evident. Typical evaluation requires a program logic (a map of how program inputs and outputs will lead to change). However, this can be impossible to establish in absence of known potential solutions.

Service or program evaluations are also made more difficult by the fact that the activities of funded organisations are rarely constrained to their funded activities.

These factors mean that a standard approach to program evaluation is often unlikely to provide useful information to practitioners dealing with complex problems in communities.

If evaluation is to better support service delivery improvements it must move away from the traditional approach, typically imposed from the top down, which requires strict accountability requirements, but fails to recognise there may be better ways of doing things.

The evaluation framework must enable and foster local decision-making, and encourage adaptive practice (including learning from failure). For this to occur, evaluation, including reporting and compliance activities, must support the needs of communities rather than just government. This is not to say that an evaluation framework does not need to provide accountability for taxpayer's money—it does—but there should be greater consideration of how evaluation can improve information provision to the communities, individuals and stakeholders that are best placed to make day-to-day decisions about how services are delivered.

More recent literature suggests that a development approach to evaluation may enable an adaptive learning approach to service delivery in remote and discrete communities (Hudson 2017, Gamble 2009, Chaney 2013). Under this approach, it is recognised that developing solutions to complex problems is not a linear process. Rather, solutions are developed through incremental steps, each of which is an experiment—the evaluation approach needed to support this process is one that provides fast feedback and informs learning (Box 10.6).

*There needs to be a recognition that conventional evaluation frameworks are of little use. What is required is an approach that allows true adaptive practice - this means real-time information with a focus on incremental change. This may mean the reality is that program logic and evaluation is done "on the fly". Evaluators need to get out of an "ex ante" focus - it doesn't work (interview with Mark Moran).*

## Box 10.6 Developmental approaches to evaluation

Development approaches to evaluation are relatively new and have grown out of observations on how innovation occurs in the corporate sector. It recognises that entrepreneurial logic is based around the idea that answers are not known and will only be discovered through a process of ‘trying things’ (Gamble 2009).

The approach is suitable where there are complex or ‘wicked’ problems that do not have obvious optimal solutions or occur within stable constraints. In these situations, it is not possible to take a linear approach to solution making where logical steps can be mapped out in advance. Rather, solutions must be developed with little prior knowledge about which approaches are most likely to work and are formed through experimentation, exploration and innovation.

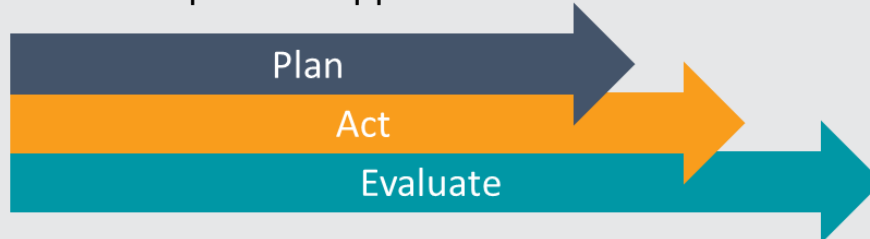
A development evaluation approach is used to support adaptive practice and innovation (Hudson 2017). It is not tied to any particular stage in the roll out or delivery of a program. Rather evaluation is an ongoing effort which informs planning and action in incremental stages (Figure 58).

**Figure 58 Approaches to evaluation**

the traditional approach:



the developmental approach:



*Source: Adapted from Gamble 2009.*

Development evaluation relies the experiences of those on the ground delivering the program to inform the ongoing implementation of the program. It relies on real-time data—implementers need to be able to quickly see if what they are doing is having an effect and adapt their approach accordingly.

Development evaluations are not incompatible with other, more formal approaches, but recognise that these formal approaches can stifle the innovation required to improve outcomes.

Enabling a developmental approach requires that local decision makers have access to information. Currently, communities have access to very little information, and reporting and compliance efforts are almost solely directed towards government. Community stakeholders have told us they find it hard to find even the most basic of information—such as which services have been funded in their communities and what they are supposed to be delivering—let alone information on the performance of these services.

Any new model for compliance and monitoring as envisaged in the Commission's proposed evaluation framework must include more provision of information to communities than exists today.

Currently, service providers report to and are monitored by government. The focus needs to shift to the individuals and communities using services. The reforms proposed in Chapter 7 will achieve this outcome for the participating communities. For other communities, there must be a much greater commitment from government to provide information to communities. This should occur wherever possible using commissioning models that put communities at the centre of service delivery (as outlined in Chapter 8). Reporting requirements should be negotiated with communities and be included into service contracts with service providers.

Existing data, including non-confidential agency information, need to be readily available to communities and other stakeholders in a form that is timely, appropriate and useful. To support this, a commitment should be made to:

- regular reporting of outcome and expenditure information to communities—where the information needs of communities are negotiated with government and service providers.
- periodic, public release of information on progress and expenditures in remote and discrete Aboriginal and Torres Strait Islander communities.

Less formal evaluation approaches, such as development evaluation methods, should be used in combination with more formal or traditional evaluation methods.

Formal evaluation methods are still important and can provide useful insights and lessons about why programs do and do not work, and will continue to provide an important accountability measure for larger programs. The crucial point, however, is that traditional evaluation approaches should be used only when they are likely to provide useful and meaningful information that can be used to improve service delivery. Their findings need to be shared. Failure to do so feeds stakeholder perceptions that evaluation is little more than a compliance tool.

To this end, government should commit to:

- working with all stakeholders to develop evaluation strategies for any new major reform or program, including how the results of evaluation will be funded and shared with stakeholders
- the timely and public release of all evaluation reports for services it funds, either directly or indirectly.

## 10.8 Independent oversight

A common complaint is that the learnings from evaluations are ignored and that decisions to shift or change funding are made before evaluation have been completed (Morgan Disney 2007). If these complaints are to be overcome, evaluations must be de-politicised and used to support and identify good service delivery practices. This will require an approach that is at arms-length from government.

The Commission recommends that an independent body be tasked with overseeing the evaluation framework. The independent body should be responsible for:

- reporting the progress of reforms by conducting or commissioning a full review of reform implementation
- establishing baseline estimates for key indicators of interest to communities and government
- consolidating outcome data and reporting on these relative to established baseline estimates
- reporting on progress on outcomes, including an assessment of the performance of the service delivery system
- establishing the extent to which the service delivery system is supporting providers to develop innovative, locally driven solutions, and how information provision and evaluation effort can be improved to better encourage effective service provision
- acting as a clearinghouse for evaluations of individual services or programs.

The independent body should publish a report every two years outlining its findings.

The roles of the independent body could be performed by an existing body, or by establishing a new statutory authority. Regardless of who performs these roles, the body must have:

- a clear mandate, established in legislation
- indigenous representation, such as an Indigenous Commissioner
- the ability to operate at arms-length from the government
- sufficient resourcing and expertise to carry out its functions
- enough longevity to see reforms through to establishment.

---

## Recommendation 10

The Queensland Government should establish baseline estimates of expenditures made in each of the discrete communities, and for remote regions. This should include the proportion of expenditure spent on indirect or ancillary functions.

Actual expenditures in each of the discrete communities and remote regions, including indirect or ancillary expenditures, should be estimated every two years and made publicly available to support transparency and decision-making.

## Recommendation 11

The Queensland Government should commit to an evaluation and reporting framework that supports adaptive practice, facilitates accountability and empowers communities by providing them with timely, useful and relevant information. To support this framework, the government should:

- identify the outcomes communities are interested in tracking
- improve the availability of agency and other data to support local decision-making
- work with the Australian Bureau of Statistics to extend the coverage of existing surveys such as the National Aboriginal and Torres Strait Islander Social Survey
- develop evaluation strategies with communities for any new large reforms or programs, including how the findings will be shared with stakeholders
- make evaluation reports for services it funds, either directly or indirectly, publicly available in a timely way
- ensure that existing compliance requirements are necessary and proportionate to the level of funding and risk
- streamline reporting and compliance requirements for areas of shared responsibility with the Australian Government.

The Queensland Government Statistician's Office should regularly collate and provide data to communities to support the evaluation framework.

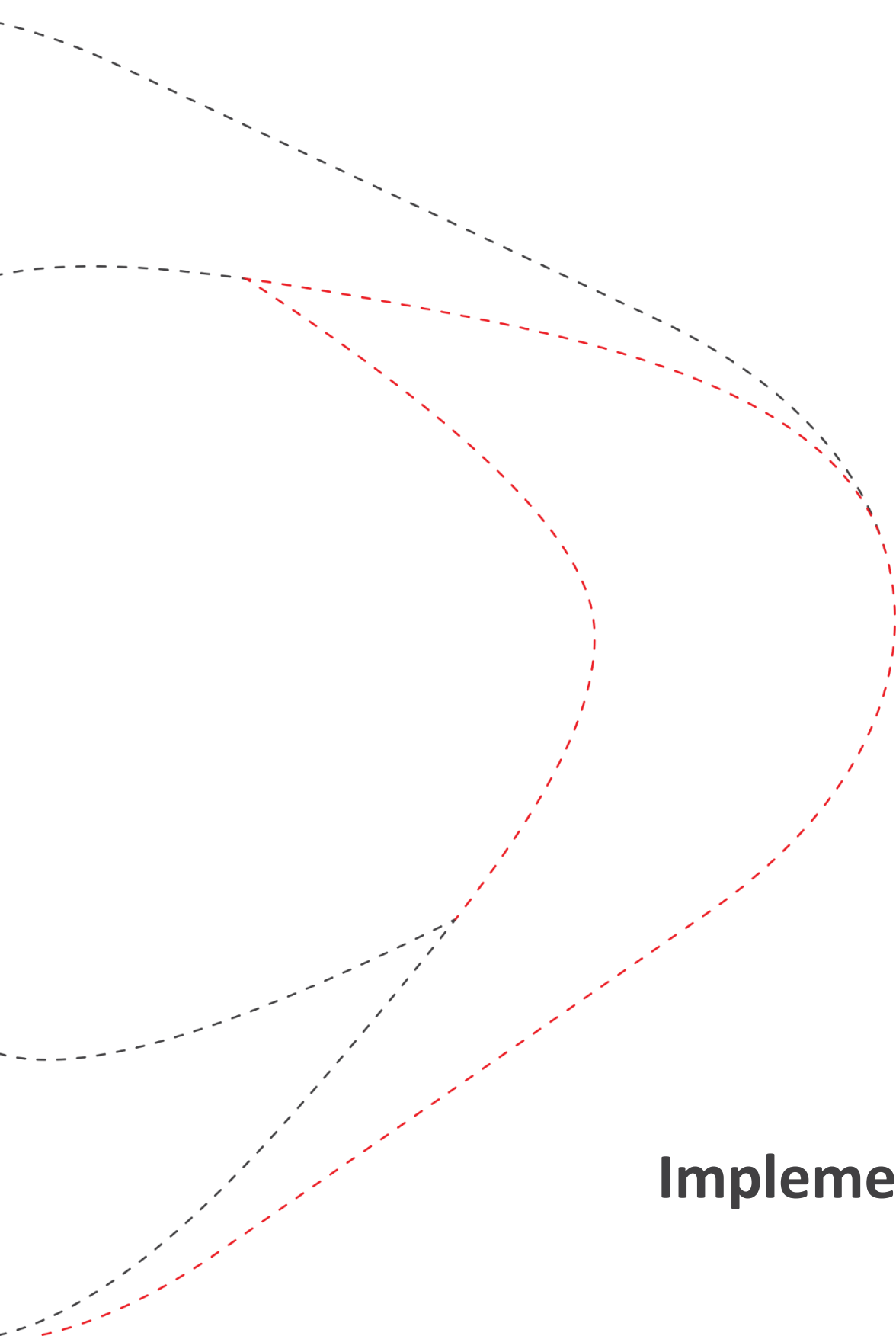
## Recommendation 12

The Queensland Government should assign an independent body to oversee and report on the operation of the Government's evaluation framework for remote and discrete communities. The functions of the independent body should include regular, public monitoring and reporting on:

- progress of reforms to the service delivery system
- performance against the agreements between communities and government
- outcomes being achieved in communities, relative to established baseline estimates
- the extent to which compliance, monitoring and evaluation efforts are supporting innovation and improvements in service delivery.

These functions may be allocated to an existing organisation but should be established in legislation, and include appropriate expertise and Indigenous representation.

---



# 11.0 Implementation

*This chapter provides some high level guidance to aid the implementation of the structural, service delivery and economic development reforms outlined in earlier chapters.*

## Key points

- The recommended reforms will fundamentally shift the way communities and government engage and do business—getting implementation right will be critical if they are to be successful.
- To implement the reforms, government will need to work with communities to develop an agreed implementation plan. This plan should provide a long-term platform for change that allows for reforms to occur over a timeframe that is most likely to achieve a real and long-lasting change to the way services are delivered in remote and discrete communities.
- Beyond the reform architecture outlined in chapters 6-10, key actions for implementation over the first 12 months of the reforms should include:
  - Issuing a clear statement of intent to ensure that there is acceptance within government and communities.
  - Assigning ministerial and agency leadership to ensure that government can make things happen, including across ministerial portfolios.
  - Establishing a joint community and government oversight committee to steer reforms.
  - Developing an implementation plan.
  - Establishing the reforms in legislation, policies, budget, delegations, systems and processes.
  - Setting up the functions and operations of an Independent body to conduct oversight of the reforms.
  - Creating the architecture for establishing community authorising bodies.
- The Queensland Government should partner with the Australian Government to maximise the effectiveness of the reforms.
- Departments and their representatives who are engaging with communities will need to have a full understanding of the priorities and realities in communities, be committed to the new approach for engagement, and have sufficient delegated authority to get things done.
- Given the readiness of some communities, but not others, the reforms will need to be staged. Reform implementation should aim for short term wins to foster trust in the reform process.

## 11.1 Introduction

This inquiry comes after a long line of reviews and reports looking at the challenges facing Aboriginal and Torres Strait Islander communities. Successive governments have invested a lot of time and effort in policies, pilots and initiatives—however, they often fail due to poor implementation (DOFD 2010).

*There can be no doubt that enormous sums of money, and a huge amount of bureaucratic effort, have been devoted to addressing Indigenous disadvantage over the past 20 years ... There have quite literally been thousands of recommendations already made to governments regarding how to deal with the problems faced by Indigenous people. Many of the reviews and reports are critical of the failure to implement those that have gone before. (Crime and Misconduct Commission 2009, p. xviii)*

The Commission's recommended reforms involve changes in how government and communities engage and make decisions. They require commitment and changes to resourcing, authority, policy, legislation, institutions and processes.

*... communities have seen reform come and go, to achieve the buy in, a public and permanent commitment must be made and is required. (QCOSS sub. DR11, p. 2)*

Communities' readiness for the reforms vary—some are at the forefront of driving change, others need more time and support. Whole-of-government commitment, material support, as well as an embrace of learning and adaptation by communities and government, are essential to achieve lasting positive outcomes.

*We believe that these recommendations will lead to improved life outcomes for remote and discrete Aboriginal and Torres Strait Islander communities if they are implemented within an appropriate timeframe, which will need to extend beyond the usual political cycle, and supported by a commitment to sustain adequate investment. (Uniting Care Queensland sub. DR4, p. 1)*

This chapter briefly sets out some initial steps and practical guidance that will help to implement enduring reform, and builds on recommendations from earlier chapters. An indicative reform timeline is also provided—however, the final form of any implementation plan will need to be developed by government in consultation with Indigenous leadership.

## 11.2 Establishing acceptance, authority and ability

The Commission has proposed a package of reforms that will fundamentally shift the way communities and government engage and do business. Effective implementation relies on communities and government being 'ready for change'. This goes beyond a simple desire for change, but also whether the conditions, motivations and resources are in place.

The community development literature ascribes successful change to three key factors: the acceptance of the need for change, the authority to make change, and the ability to undertake change (Figure 59).

**Figure 59 The three A's**

Acceptance	Authority	Ability
The extent to which those who will be affected by reform or policy change accept the need for change and the implications of change.	The support needed to effect reform or policy change or build state capability (political, legal, organisational, and personal).	Focuses on the practical side of reform or policy change, and the need for time, money, skills and the like to even start any kind of intervention.

Source: Adapted from Andrews et al. 2017, p. 161.

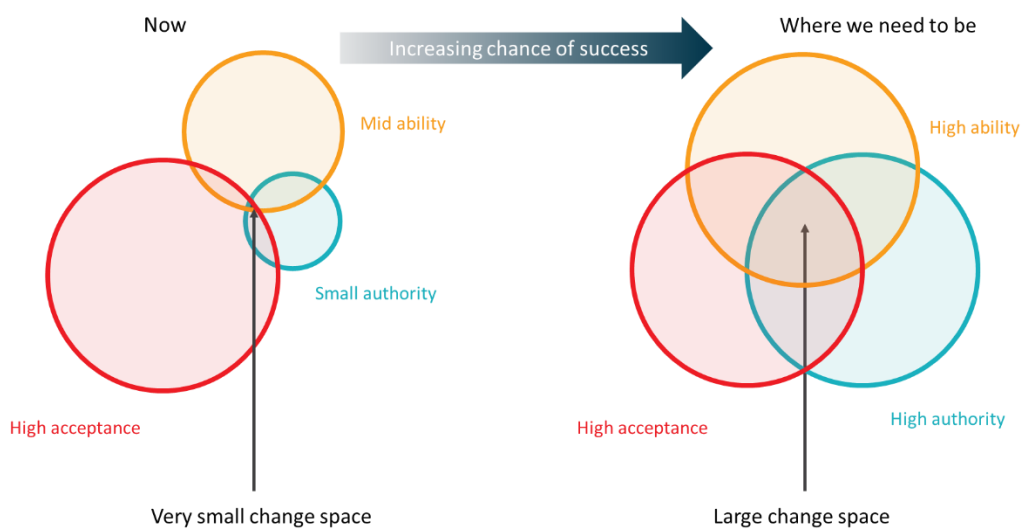
Each of the 'three A's' need to be in place to maximise the chances of successful change occurring. This means that an assessment of readiness is important, as well as building the capacity for change.

A high level analysis of the Queensland Government and communities' readiness for change suggests that:

- there is broad acceptance of the need for change across government and communities
- many stakeholders have policy change fatigue and communities' trust in government has eroded over time
- communities currently have little real authority to influence service delivery
- there is no single, agreed source of authority in many communities
- on-the-ground government officers lack sufficient authority to get things done
- there is no single authority to enable cross-agency or cross-government collaboration
- the governance and skills of communities is growing rapidly, but a lack of financial resources, real-time information and delegated authority constraints their ability to influence or control service delivery
- there is an enormous amount of policy experience, financial resources and goodwill being expended— however, these efforts need to be better directed.

This analysis suggests that there is currently insufficient space for change. To create this space there will need to be sufficient authority (within community and government bureaucracy) to enable reforms (Figure 60).

**Figure 60 Increasing space for change - the need to grow authority and ability**



Key first steps for building the authorising environment are to:

- assign responsibility for leading the change (at the ministerial, agency and community level)
- establish and communicate a clear commitment (such as through a Premier's directive)
- institutionalise new approaches (through policy, regulatory and delegation changes)
- plan for, and identify short term gains that can be built on as experience and trust develop.

Developing abilities will also be important—this requires reprioritisation of resourcing, and will be supported by the structural reforms outlined in Chapter 7.

### 11.3 Assign ministerial and agency leadership

The reforms recommended by this inquiry are transformational and broad—they call for a whole-of-government shift in the way decisions are made and how services are funded, commissioned and delivered.

To make these changes happen, strong leadership is needed—this will entail a clear and deep commitment from government, a shared vision and clear strategies for achieving change. It will also require assembling a group with sufficient commitment and power to lead the change effort (Kotter, 1996).

#### Establish a lead minister

Senior ministerial leadership will be needed with a whole-of-government perspective to lend sufficient authority to deliver the reforms across ministerial portfolios. The Queensland Government should assign a senior minister to lead the reforms and be responsible for their implementation. Reforms relating to specific agencies (Recommendations 15–22), would be led by the minister responsible for that portfolio, reporting to the lead minister.

The lead minister should report to Cabinet on progress of the reforms.

#### Assign central agency leadership

Central agency leadership would provide the authority needed to drive implementation across the bureaucracy. Obstacles to change need to be removed, structures shifted to match the vision, and risk-taking and non-traditional ideas and actions need to be encouraged. These are large changes in the way government departments operate, and they will require the authority and whole-of-government leadership that only a central agency is most likely to deliver.

The Department of the Premier and Cabinet would be well placed to drive the reforms and manage the broader policy implications.

The central agency will have two core functions—to establish and administer a joint government and community committee to steer the reforms, and to ensure that the reformed arrangements are established and embedded in legislation, policies, budget, delegations, forums and processes across government.

A delivery unit should also be established in the central agency—this should consist of a small group of dedicated individuals whose sole focus is to achieve the implementation of reforms, and who should regularly report on progress (Barber et al. 2011).

Government will also need to establish internal capabilities and delegations to support reforms—these are discussed in Chapter 7.

### 11.4 Establish joint community-government oversight

The Queensland Government and community representatives will need to agree on how the reforms are implemented. This will build acceptance and buy in, and give authority for actions taken to progress implementation.

The Queensland Government should establish a joint community/government oversight committee to ensure agreement on the scope of reforms, keep all parties informed as implementation progresses, and serve as a forum for engaging broader stakeholder groups. The Queensland Government should provide ongoing resourcing including secretariat services and participation costs for members.

The government and community representatives—acting as equivalent and equal parties—will need to have sufficient commitment and authority to guide the reforms to their full implementation.

*The right people will include those who have the knowledge of what needs to happen and those with the authority and capacity to get it done. (Thornton et al. 2017)*

The role of the joint committee is to guide implementation of the reforms through discussion, negotiation and information sharing. Initial tasks would include:

- finalising an implementation plan and timelines within six months
- agreeing on an independent body to monitor and report on progress of the reforms
- developing and agreeing criteria for establishing community authorising bodies and for staging the transition of decision-making and accountability
- developing the format of agreements between government and communities.

The steering committee should have an ongoing role to share progress and learnings to date, and to identify issues and strategic opportunities.

Membership should include representatives of Queensland Government, with central agency leadership and key, trusted leaders from communities.

Other stakeholders should be involved in an information sharing and advisory capacity. For example, the Independent body, Australian Government, Local Government Association of Queensland, and other service providers, peak bodies, academic institutions or industry groups should be involved as appropriate.

## 11.5 Assign an independent body to monitor and report on progress

Independent oversight of the framework will be required to ensure that stakeholders have confidence in the reform process and that evaluation is impartial. In consultation with the joint committee, the Queensland Government should assign an independent body to evaluate and report on progress and outcomes of the reforms. The independent oversight functions may be allocated to an existing organisation but should be established in legislation, and include appropriate expertise and Indigenous representation (Chapter 10).

Early assignment of the independent body is important to establish acceptance of the reforms and authority for data collection processes. Public reporting will play a key role in establishing accountability between government and communities.

*I refer to recommendation no. 3 which states that an implementation plan should be developed in consultation with communities within six months. To state the obvious, I would strongly recommend the prior establishment of the Community Representative Body and the Independent Oversight Body (including governance capability training), before any such action is taken. (Willis sub.. 2, p. 5)*

Knowing that the reforms and agreements will be subject to independent oversight and public reporting from the outset will encourage communities and government to commit the necessary attention and resources to the reforms process.

Assignment of the independent oversight role should be an initial priority task of the steering committee. Once agreed, the Queensland Government should take immediate steps to establish the independent oversight functions in legislation; interim arrangements should be considered while establishment is underway.

## 11.6 Establishing the community authorising bodies—a staged approach

As discussed in Chapter 7, not all communities are ready to engage immediately with the structural reforms. This means that there is a need for a long-term approach with staged implementation—those communities that are ready to engage with the reforms, should be encouraged to do so. Those that are not yet ready need to be supported.

The staged approach should allow for early wins that can be built on as experience and trust develop—this will provide evidence of successful change, fostering acceptance, authority and ability.

An agreed, transparent pathway for progressing through reform stages would provide surety for communities and lend authority to decisions made in the agreement-making process. The agreed pathway would allow communities to identify where they sit on a spectrum of readiness to adopt greater decision-making and accountability, and what further capacity needs to be built.

The joint government and community steering committee should establish clear criteria that need to be met for an authorising body to be established. These criteria should consider good governance principles such as legitimacy and leadership, community participation and voice, strategic direction, accountability (internal and external), resource governance and organisational performance (more detailed guidance regarding these criteria is provided in Chapter 7).

Once criteria are established, and they are ready to enter the agreement-making process, communities should be invited to lodge an expression of interest for recognition.

## 11.7 Institutionalise new approaches

The Queensland Government must take direct steps to establish the reforms in legislation (where necessary), policies, budget, delegations, forums and processes. This will build the acceptance, authority and ability for sustained change. Clear guidance and authority should be provided, for example in the form of a Premier's instruction, that directs departments to make changes that enable the recommendations of this inquiry.

### Policy review

To progress and embed policy reform that supports better service, community and economic outcomes, the central agency should review and update policy, funding and commissioning models. The review should assess to what extent current practices support longer-term developmental objectives and responsiveness to the needs of Indigenous people.

### Establish systems and resources

To implement and embed the structural reforms, the central agency should oversee establishment of systems to collect and report community-level expenditure data, mandated across government. Existing grant funding to the communities should be identified and a grant pool established. Mechanisms to collect and report outcomes data in line with community priorities will need to be established.

### Amend legislation and delegations

Relevant legislation will need to be reviewed and potentially amended to support the recommendations of this inquiry—including but not limited to the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984*. As well, functions of the independent body and authorising bodies may need to be established in legislation.

Delegations should be revised promptly so that the right people have negotiation and decision-making authority. Processes that support continual adaptation should be authorised and embedded into institutional routines.

## 11.8 Working with the Australian Government

The Australian Government directly and indirectly impacts service provision and economic development outcomes in the remote and discrete communities through its investments, service delivery activities, policies, laws and regulations. Stakeholders recognised that it will take a joined-up effort to maximise the effectiveness of the reforms. For example:

*To enable effective funding reforms to occur, need to know government investments at the community level to be able to understand if it's being used in the right areas and outcomes achieved (Yarrabah Leaders Forum sub. DR14, p. 4)*

*the relationship with the Federal Government will be important to the achievement of a range of outcomes in communities. (QCOSS sub. DR11, p. 2)*

*The Queensland Government therefore must not only commit to achieving these outcomes, but must also commit to recruiting the Commonwealth Government, Local Governments and other relevant parties to also fulfil their role in achieving these outcomes. This is a challenge of leadership that the Queensland Government must embrace. (Cape York Land Council sub. DR13, p. 5)*

Many options for achieving economic reforms require coordination with, and changes to, Australian Government policy, as they involve integration of the income support system and state service delivery system. Operating through the reformed arrangements, place-based approaches can be used as a mechanism to help coordinate the policies of different tiers of government (Chapters 8, 9).

To maximise the effectiveness of the reforms, the Queensland Government should seek to partner with the Australian Government including to collaborate, coordinate and advise through participation in the oversight committee, and provide outcomes, expenditure and services data at the community level. It should advocate that the two governments work together to streamline reporting and compliance arrangements for areas of shared responsibility and that they should pursue a joined-up approach by aligning policy, services and investment activities, including by the reformed service delivery framework.

## 11.9 Timeline for implementation

Together the Queensland Government and communities (through the steering committee) will need to agree a timeline for implementation of the reforms. The timeline should incorporate all the activities required to implement the structural, service delivery and economic reforms, support their operations, and establish the reforms as the normal way of doing things. Key tasks include to:

- assign responsibility for leading the change (at the ministerial, agency and community level), and allocate resourcing to support establishment and planning
- establish the steering committee to finalise an implementation plan and guide delivery of the reforms
- assign an independent oversight body
- institutionalise the reforms in legislation, policies, budget, delegations, forums, systems and processes
- establish community authorising bodies, progress expressions of interest and enter agreements.

Some key actions for reform are provided in Table 28 as a starting point for discussion.

Table 28 Some key actions for reform implementation

Actions	Queensland Government	Oversight Committee	Community	Independent oversight body
<b>Immediate actions</b>				
Issue statement of intent to commit to reforms				
Assign ministerial and central agency leadership				
Allocate resourcing to support establishment and planning				
<b>First 12 months</b>				
Establish oversight committee				
Develop an implementation plan				
Assign the independent oversight body				
Revise government delegations				
Establish community baselines (expenditures and outcomes)				
Identify grants and program funding to communities; establish funding pool				
Establish criteria for establishing community authorising bodies				
Review legislation and amend where required				
Review grants compliance requirements				
Change service delivery contracts contract timeframes and skills transfer requirements				
Report on the Indigenous employment target				
Report on accreditation and barriers to employment				
<b>Transition—after 12 months</b>				
Establish first community authorising bodies				
Negotiate and enter first agreements				
Initial evaluation and public report on progress of implementation				
<b>Ongoing</b>				
Continue to establish community authorising bodies, progress EOIs and enter agreements as communities indicate their readiness				
Regular review of progress against agreement commitments				
Public reporting on the Indigenous employment target				
Expenditure reporting to communities every two years				

---

## Recommendation 13

To implement the reforms, the Queensland Government should:

- assign responsibility to a lead minister and central agency for implementing the reforms
- establish a joint community and government oversight committee to steer reforms
- finalise an implementation plan within six months that allows for the establishment of the Independent oversight body and authorising bodies, and provides a long-term road map for reform
- establish the reforms in legislation, policies, budget, delegations, systems and processes.

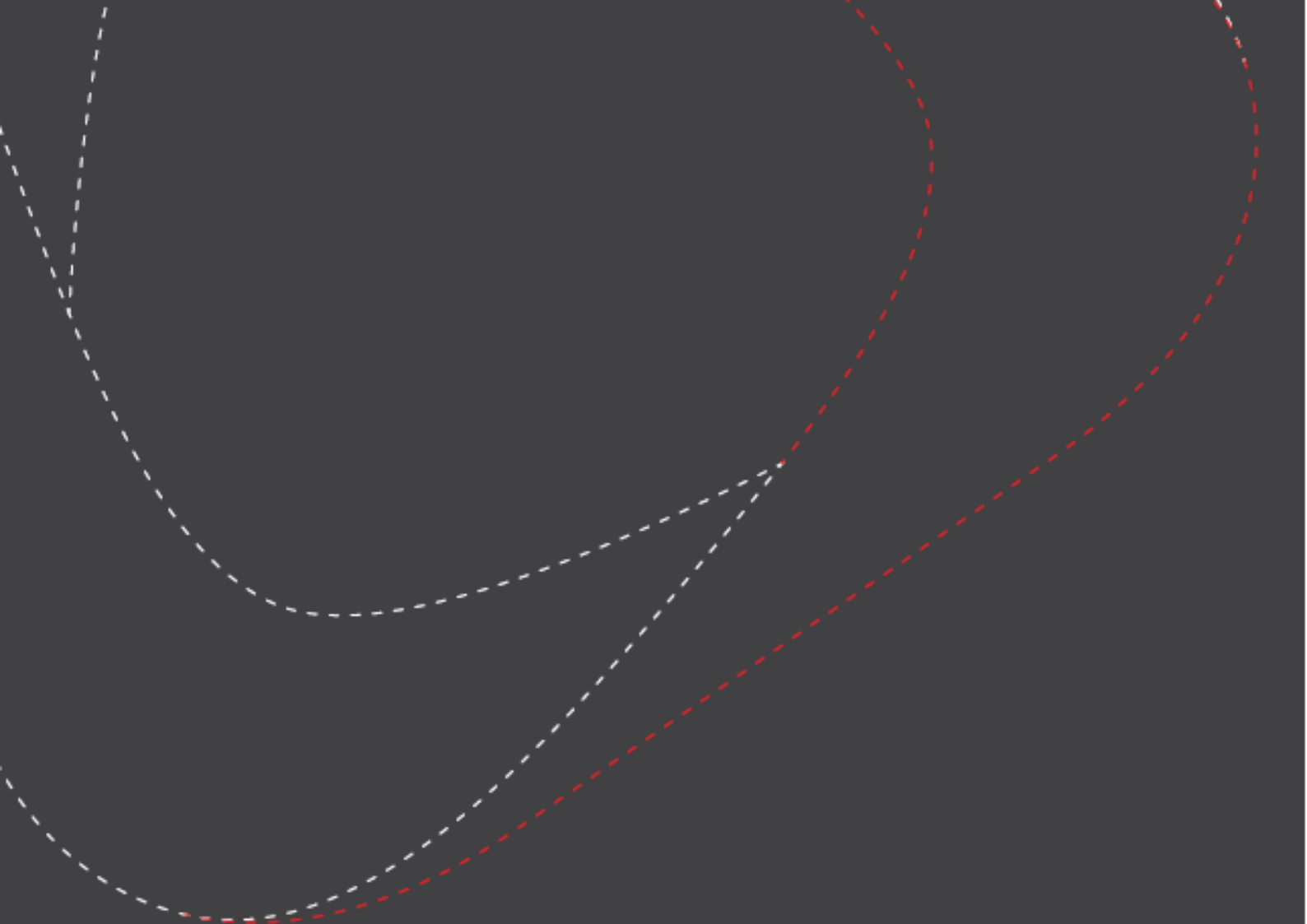
## Recommendation 14

To maximise the effectiveness of the reforms, the Queensland Government should seek to partner with the Australian Government, including to:

- provide outcomes, expenditure and services data at the community level
- streamline reporting and compliance arrangements for areas of shared responsibility
- pursue a joined-up approach by aligning policy, services and investment activities, including through the reformed service delivery framework.

As an initial step, the Queensland Government should invite the Australian Government to join the implementation oversight committee (recommendation 13).

---

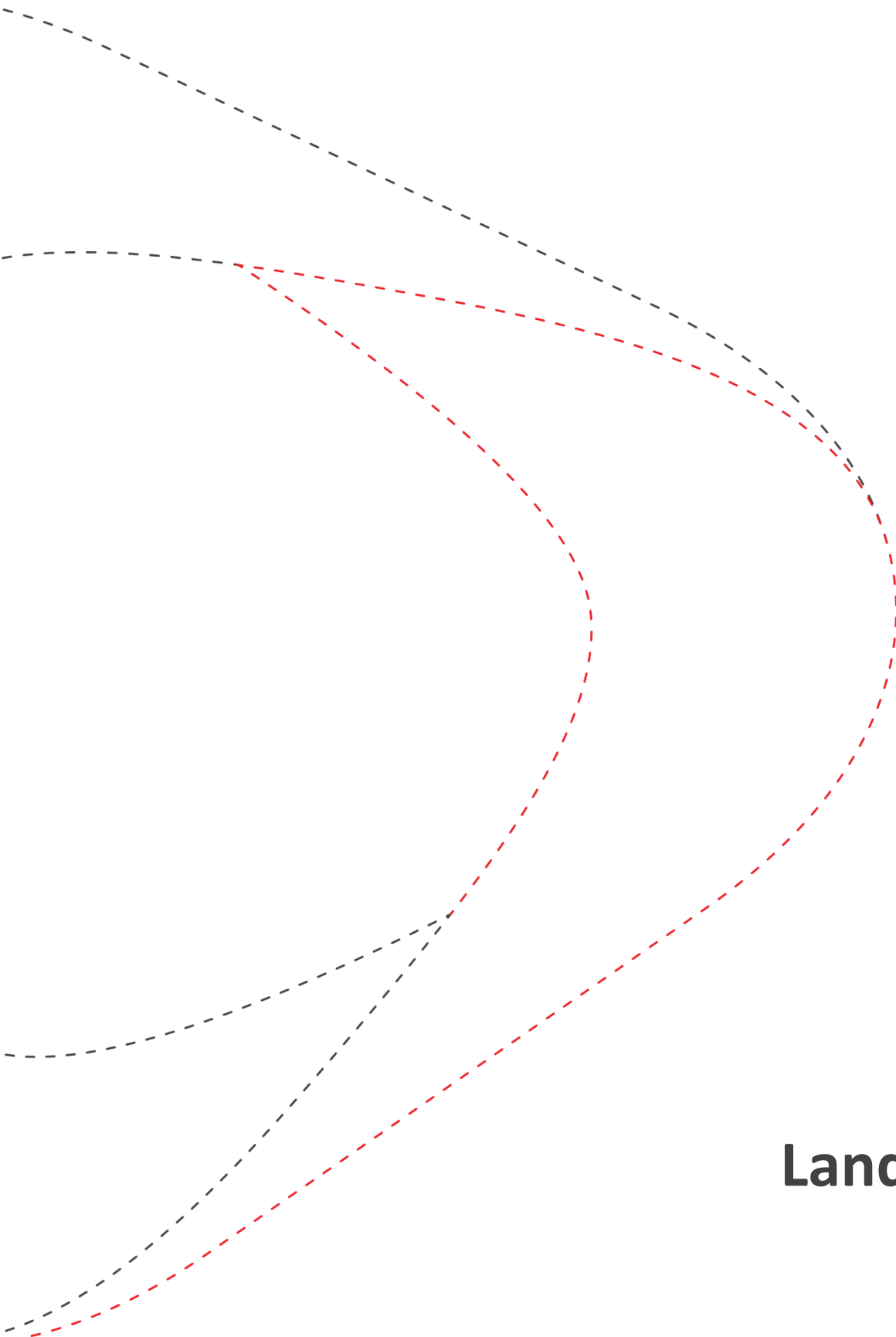


## **Part C: Key service delivery issues**

## Part C of the report outlines key service delivery issues

Part C is set out as follows:

- Chapter twelve considers land tenure, use and administration issues.
- Chapter thirteen assesses issues around the ownership, construction and maintenance of the housing stock, and possible reforms.
- Chapter fourteen outlines the role of municipal services and infrastructure, and considers possible funding models.
- Chapter fifteen surveys education and training issues, focusing on significant issues impacting the communities.
- Chapter sixteen considers issues related to community safety, including the role of prevention and reaction services, alcohol management plans, and community involvement.
- Chapter seventeen provides an overview of health and wellbeing in the communities, and examines some key service delivery issues influencing health outcomes.



# 12.0 Land tenure

*The terms of reference for this inquiry ask the Commission to report on ways to achieve better outcomes in remote and discrete communities. This chapter discusses elements of the land administration system that could be improved to better facilitate service delivery and enable economic and community development.*

## Key points

- Aboriginal and Torres Strait Islander people in remote and discrete communities have large and growing land holdings—if communities are to move away from a reliance on externally provided services, they will need to be able to better and more easily use these land assets.
- History has left a patchwork of tenure arrangements and resource rights, particularly in Cape York, which has constrained economic activity and limited home ownership opportunities.
- Much progress has been made to remove these constraints and enable Aboriginal and Torres Strait Islander communities to use their land assets. However, significant work remains to be done:
  - Separate native title interests overlay tenure across most remote and discrete communities. The resolution of competing interests is critical to enable land use.
  - Indigenous councils remain trustees over township land in most discrete communities, which may cause conflicts of interest and constrain economic activity.
  - While capacity is emerging amongst Indigenous land holding bodies, they often lack the capability to effectively negotiate economic and/or community development opportunities.
  - Statutory planning schemes that overlook future development prospects can hinder communities taking advantage of economic and community development opportunities.
- Many of the issues raised by stakeholders are not the sole responsibility of the Queensland Government. Any solutions need to involve the State, local and Australian governments, together with Indigenous land holding bodies and their representative structures.
- Many of the issues relating to land tenure are beyond the scope of this inquiry. Further, there are range of technical and legal issues that require further consideration before definitive solutions can be developed.
- The Queensland Government should lead land tenure reform by working with stakeholders to develop a plan that sets out a desired land administration system, with an associated roadmap for reform and timeframes for completion.
- As part of any reform process, consideration should be given to whether any functions to support the land administration system should be moved to community control.

## 12.1 Current status

### Why land tenure is important

The ability for individuals to use, transfer and borrow against land assets is a key feature of successful modern economies (Rodrik 2000). For much of the land controlled by Aboriginal and Torres Strait Islander people living in remote and discrete communities, this ability, until recently, has been absent:

*Governments continue to spend large amounts of taxpayer funds for extremely modest results. They are not addressing core problems. Until private property rights—private housing and private business—are introduced, governments will continue to spin their wheels. (Hughes et al. 2010, p. 1)*

*It is clear that a major reason why social and economic participation in remote and discrete Aboriginal and Torres Strait Islander communities is much lower, and government delivery levels are much higher and more difficult than on other parts of the Queensland is because of the failings of the land administration system in these communities. This dysfunction is also directly linked to what many Indigenous leaders have described as the 'structural disempowerment' of Indigenous people living in discrete communities. (Cape York Land Council sub. 20, p. 3)*

In most parts of the state, land tenure arrangements are relatively straightforward—freehold and leasehold crown land provides defined individual property rights, and allow these rights to be freely traded in an open market. In the main, property boundaries have been gazetted and ownership is clear. These arrangements establish secure individual property rights that facilitate economic activities such as grazing, cropping and tourism ventures, and encourage home ownership and a private rental market in remote areas.

In most remote and discrete Aboriginal and Torres Strait Islander communities, tenure arrangements have not been this clear—in discrete communities, up until 2008, there were no legal mechanisms to allow any form of individual property right, including the ability to own a home or establish a business (Limerick et al. 2012).

Land tenure is also important for service delivery. Under current Australian law, any permanent fixtures on land are the property of the landholder (Crabtree et al. 2012). In the discrete communities, land is owned collectively by residents, with Indigenous councils acting as trustee. Service providers and tenure holders both need tenure arrangements that provide surety for their ongoing activities and interests.

### Current tenure arrangements

Most land held by Aboriginal and Torres Strait Islander people in remote and discrete communities is Aboriginal freehold or land held in trust.

The laws governing Aboriginal freehold land are established under the Queensland *Aboriginal Land Act 1991 (ALA)* and *Torres Strait Islander Land Act 1991 (TSILA)*. These Acts allow for the grant of inalienable freehold title to Land Trusts and Corporations that represent a broad Indigenous group—that is, land is held collectively and cannot be sold, mortgaged or transferred.

The ALA and TSILA allow land to be used for economic purposes; however, the resource rights associated with tenure vary from location to location.

As of 2017, the state has transferred almost six million hectares of land in remote areas—mostly on Cape York—to Aboriginal Freehold (DNRM 2017, see Figure 62, p. 271). The Commission understands from discussions with the Remote Indigenous Land and Infrastructure Program Office (RILIPO) and Cape York Land Council that most transfers of land were made to Land Trusts.

In the discrete townships, the predominant form of land tenure is a Deed of Grant in Trust (DOGIT) where the council holds land tenure on behalf of all residents. The ALA and TSILA provided a specific provision for the government to transfer DOGIT land to Aboriginal Freehold, but the Commission understands that this is yet to occur in most discrete communities.

The ALA and TSILA allow for the creation of 99-year leases in a simple, flexible framework without ministerial approval. These leases can only be granted or transferred to non-Indigenous people under certain circumstances. Leasing of DOGIT land is also governed by the ALA and TSILA.

The *Aboriginal and Torres Strait Islander (providing Freehold) Amendment Act 2014* amended the ALA and the TSILA to provide for the conversion of town areas in discrete communities to ordinary freehold. Once granted, this would allow the land to be sold or transferred to any party, including non-Indigenous people. However, as noted by Terrill (2015), the conversion to freehold is likely to be challenging (and expensive), since it would involve extinguishing native title interests. The Commission understands that, to date, there has been little interest in pursuing conversion of land to ordinary freehold in most discrete communities.

There is a complex array of tenure types in remote and discrete Aboriginal and Torres Strait Islander communities, particularly in Cape York, where there are a wide range of tenure types and 90 per cent of the land area is subject to a native title claim (see Figure 63, p. 272). This appear to create unnecessary confusion and cost:

*Land tenures in ILGAs include Deed of Grant in Trust (DOGIT), Aboriginal freehold, Aboriginal freehold lease, Land Holding Act ('Katter') lease, Aboriginal reserve, Reserve for Departmental and Other purposes, USL, road reserve, and fee simple freehold. Each of these tenures includes a unique set of rights and interests, and are held by a variety of parties. The mix and proportion of tenures varies in every ILGA and is especially variable within town areas. The mix of rights and resources provided by the various tenures, quite often in adjoining or adjacent lots in a small community, creates confusion and uncertainty for people wanting to engage and invest in enterprise. Alternatively, because of land administration issues, the rights and interests associated with various tenures are ignored and the land is used for purposes inconsistent with the purpose of the tenure, which creates further confusion and conflict. (Cape York Land Council sub. 20, attachment A)*

There are also long-standing issues with leases arising under the *Aborigines and Torres Strait Islanders (Land Holding) Act 1985* (the 'Katter' leases). More than 400 lease applications were approved under the Act, with 232 granted and 198 remaining outstanding. In many cases the original applicant has since deceased, and resolution needs to occur with the beneficiaries of their estate. The introduction of the ALA in 1991 created issues for the Katter leases, effectively putting them in limbo (Queensland Government 2016). These technical issues were resolved with the passage of the *Land Holding Act 2013*, but many of the practical issues remain unresolved.

## Native title coexists with land tenure, a further complicating factor

Native title confers certain rights to traditional owners of land, where these rights have not previously been extinguished and an ongoing connection to land can be established (Native Title Tribunal 2010). The rights conferred by native title vary and may include the right to possess and occupy an area to the exclusion of others (exclusive possession).

Native title coexists with land tenure and the interests may be held by different parties. For example, native title exists over most discrete townships, with the tenure held (as DOGIT) by council on behalf of all residents. The residents of discrete communities may have no traditional connection to the land, but are likely to be descended from people who had been settled there for historical reasons. The holders of native title are traditional owners, who may or may not reside in the community, and are represented by a prescribed body corporate (PBC).

Indigenous land and native title rights do not exclude economic development—there are many successful developments on Aboriginal land that coexist with native title interests (COAG 2015, p. 23). This is consistent with the view of stakeholders the Commission spoke with.

There is, however, an opportunity to do more to support land owners and native title holders in leveraging their respective interests. Enabling activity on jointly held land requires the negotiation of an Indigenous Land Use Agreement (ILUA), which sets out the conditions (including any compensation measures) by which native title holders will allow any future acts that may interfere with any rights conferred through their native title interests. However, the evidence suggests that these negotiations are often expensive and protracted.

## The land administration system underpins land use

The land administration system (LAS) determines the ability of Aboriginal and Torres Strait Islander people to effectively use their land assets (Box 12.1). Currently, the land administration system is excessively complex making the resolution of land tenure issues a difficult and lengthy process.

### Box 12.1 Land administration system (LAS)

The LAS allows for the creation of legally secure and certain interests in land and is essential for using and managing interests in land.

Land administration is a broad topic and involves the interaction of many interdependent parts—nevertheless, the LAS facing remote and discrete Aboriginal and Torres Strait Islander communities is more complicated than in the rest of the state.

Legislation covering land use is covered in at least seven separate State and Commonwealth Acts (four of which are Indigenous-specific):

- *Land Act 1994*
- *Land Title Act 1994*
- *Planning Act 2016*
- *Aboriginal Land Act 1991*
- *Torres Strait Islander Land Act 1991*
- *Aboriginal and Torres Strait Islander Land Holding Act 2013*
- *Native Title Act 1993.*

Much of the land under Aboriginal and Torres Strait Islander control is also subject to range of conservation and heritage controls, including provisions of the:

- *Vegetation Management Act 1999*
- *Nature Conservation Act 1992*
- *Water Act 2000*
- *Mineral Resources Act 1989*
- *Aboriginal Cultural Heritage Act 2003*
- *Cape York Peninsula Heritage Act 2007*
- *Environment Protection and Biodiversity Conservation Act 1999.*

## Considerable progress has been made

Until recently, land administration in the discrete communities was almost non-existent. Cadastral surveys had not been conducted, meaning it was impossible to identify individual land parcels in communities—as a result, public infrastructure, including roads and housing, were often constructed without thought for property boundaries (Moran 2016).

Progress has been made in improving land administration in the discrete communities, largely led by the work undertaken by the Remote Indigenous Land and Infrastructure Program Office (RILIPO). This work has addressed many of the impediments to development in Indigenous communities and enabled many communities to issue leases for home ownership and for other uses (Box 12.2).

### Box 12.2 Remote Indigenous Land and Infrastructure Program Office

In 2009, the Queensland Government began a process to drive changes to land administration and town planning to enable long-term leases for home-ownership and economic investment. This process was managed by the Remote Indigenous Land and Infrastructure Program Office (RILIPO), an office of the Department of Aboriginal and Torres Strait Islander Partnerships (DATSIP). Unlike in other jurisdictions, RILIPO has been successful in moving the planning landscape in Queensland discrete communities towards normalcy (Forrest 2014). Actions include:

- undertaking cadastral surveys of the land to define property boundaries
- completing road encroachment surveys
- conducting lot surveys and state government asset surveys
- facilitating the implementation of town planning schemes in the discrete communities
- completing development applications and administrative work to enable the execution of long-term leases
- coordination of Queensland Government agencies' compliance with native title requirements
- resolving outstanding title issues on blocks of land (although the 'Katter Leases' remain largely unresolved).

RILIPO also coordinates infrastructure development and native title compliance in the communities, including Indigenous Land Use Agreements (ILUAs) between native title holders and other parties.

*Source: Unpublished RILIPO advice; DATSIP 2017.*

## 12.2 Key issues and challenges

### More work is required to improve land administration

Although there have been significant gains in resolving native title issues, completing surveys over townships and the transfer of land title to Aboriginal freehold, there remains a range of impediments to economic development and home ownership.

While there are a range of historical, cultural and geographic factors that may make economic development challenging, it is clear the current LAS also constrains development. This was a point raised by several stakeholders:

*... the LAS is dysfunctional in Cape York ILGAs and other remote and discrete Aboriginal and Torres Strait Islander communities, and it lags far behind the standard of LAS services that the rest of Queensland enjoys and depends on to successfully enable social and economic participation. (Cape York Land Council sub. 20, p. 3)*

Partly, these concerns relate to a lack of a clear plan for moving forward:

*The LGAQ has resolutely advocated for an overarching plan for land tenure reform in Queensland's Indigenous local government areas. The LGAQ, and its seventeen (17) Indigenous local government members, recognise that appropriate land tenure underpins and enables regional economic growth and community advancement.*

*Ultimately, without a certain and secure land administration framework, Queensland's discrete Indigenous communities will continue to be reliant on grant funding and external service delivery. (LGAQ sub. 14, p. 35)*

The concerns of stakeholders may be exacerbated by a perception that government action to reform land administration arrangements in communities has been driven by government rather than community priorities. For example, actions to conduct cadastral surveys in discrete communities were largely seen as being precipitated by a need to secure tenure and progress housing construction under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) rather than as a response to long-standing complaints from community.

However, there were also concerns about slow progress and a lack of consultation by some agencies:

*We already have complex land tenure arrangements in the Torres Strait, and history has shown (as with the unresolved 'Katter' Land Holding Act leases) that insufficient processes leave a divisive legacy which can have significant impacts on community wellbeing.*

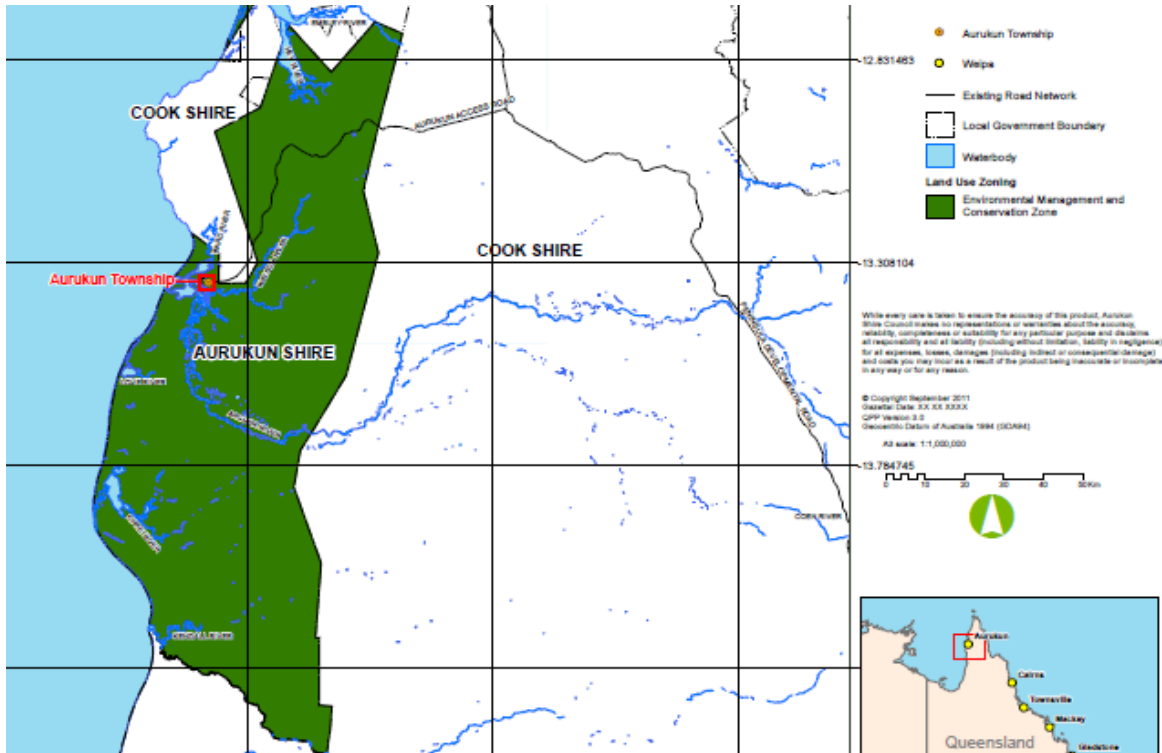
*It is vital that departments, and their contractors, obtain all necessary Native Title approvals before bringing plant, equipment and supplies to sites. Too often this fails to occur, resulting in breaches of requirements under cultural heritage and Native Title legislation, and causes understandable anger and distress for affected community members (and adverse impacts on Council's relationships) (TSIRC sub. 12, p. 30)*

Stakeholders also said that, although significant progress has been made recently with surveying town areas in discrete communities, many land users still do not have a registered interest in land (that is, the lot is yet to be surveyed and registered).

## Statutory plans have constrained land use

Stakeholders have raised concerns that recent statutory plans have been developed without sufficient consideration for land suitable for economic activity—as a result, much land has been zoned as being suitable for conservation and environmental management use purposes. This is evident in the Aurukun Planning Scheme (Figure 61), which shows that all land area in the community, apart from the immediate township, has been zoned as for conservation and environmental management.

**Figure 61 Aurukun Planning Scheme**



Source: Aurukun Shire Council 2014, p. 133.

Other planning regimes, such as those imposed through the Cape York Regional Plan, can add additional layers of land use regulation or restriction.

*Aboriginal people tend to have land returned as large lots. They wish for these to be subdivided and allow community development. State planning policies restrict development because they place hazard layers over the entire lot (e.g. fire, flood etc.) that must be addressed even if development is only planned on a small section of that lot.*

*The Queensland Government through the Wet Tropics Management Authority limits development on significant areas of land held in trust by Aboriginal people. Because the landscape has been developed by settler communities, areas being returned to Aboriginal people have high conservation values. Aboriginal people are being forced to limit development on lands returned to them which can perpetuate the injustice. (Jim Turnour sub. DR 10, p. 3)*

Stakeholders indicated that restrictive planning schemes, combined with the high cost of negotiating with native title interest holders, can make it prohibitively expensive to use land resources for economic development, effectively putting land out of reach of all but government and large corporations.

*Congress seeks to establish a private home ownership market on three distinct areas of its land holdings [which sit outside of the Indigenous township of Hopevale]...Currently, the lands outside of the township are zoned Rural and provide for a limited range of development opportunities...Congress is prepared to develop land in accordance with the advice from the Land Valuers and the Banks, yet must make a development application to HVASC to do so. The Development Application is not only onerous in terms of the costs associated with preparing the application, but must also make application (and pay fees) to the state government for them to assess the application against a series of State Planning Policy overlays that are not reliably mapped outside of the major city boundaries. (Hope Vale Congress Aboriginal Corporation sub. DR17, p. 2)*

As a result, some communities are seeking to change planning schemes—during consultation, a PBC told us it has had to seek funding to develop a master plan and seek amendments to the planning scheme only recently developed for Yarrabah.

Hope Vale Congress Aboriginal Corporation state that the current planning arrangements are not suitable for Indigenous land holdings and suggest that a parallel system of planning that allows native title and Aboriginal land holders to develop plans that are accorded statutory protection.

The Commission has not assessed the extent to which market opportunities may be available to Aboriginal and Torres Strait Islander land holders residing in remote discrete communities. However, a range of challenges exist, including:

- large distances to market
- insufficient infrastructure, including roads and telecommunications
- high costs of doing business
- difficulties recruiting specialist staff.

Despite these difficulties, the literature suggests that there are economic development opportunities that are not being harnessed (Altman 2001; Cape York Institute 2005; Forrest 2014). These might include eco-services and land management, customary or hybrid economy products, mining, forestry or other commercial ventures (SCRGSP 2016a).

What is clear is that market opportunities in remote locations are currently rare, so when new opportunities arise they need to be quickly harnessed by Indigenous organisations—this is hampered by slow and costly land approvals and tenure resolution processes.

## Progress on conversion of DOGIT to Aboriginal Freehold has stopped

The ALA (section 91) requires the state to transfer DOGIT land to Aboriginal freehold 'as soon as practicable'. While much DOGIT land has been transferred to Aboriginal freehold, the Commission understands that most of the land in the Indigenous townships remains as DOGIT held by the Indigenous councils.

There are concerns that allowing Indigenous Councils to hold land tenure places too much power in a single body:

*all entrepreneurial activity in the town area must occur via the Indigenous shire council, which is not the case in other towns. Council as trustees are effectively placed as the gatekeeper of the creation of any other rights and interests in land in the town, such as the creation of a lease needed for a business... Councils in many communities see themselves as in charge, and they are in the box seat when business opportunities arise to negotiate themselves into partnership relationships. The result is that those business opportunities that do exist in Indigenous communities tend to be dominated by council acting in partnership with non-Indigenous entrepreneurs and businesses. Council control and (structurally embedded) overreach crowds out the private sector... This is unlike the situation in any other town, and it can crowd out entrepreneurial opportunities for local small business, and lead to a concentration of power and opportunity in certain family groups. It also inevitably leads to allegations from those outside the 'elite' powerful circle of unfairness, favouritism and nepotism. (CYI sub DR15 p. 9)*

The position of Indigenous councils on this matter is not clear, however, several councils indicated that they would like to be able to focus on their core responsibilities rather than being responsible for land tenure dealings. The Commission notes that the Torres Strait Islander Regional Council has deferred all trustee decision-making to individual island communities.

One reason the transfer of township land has not occurred is that there are unresolved issues related to the transfer of infrastructure constructed this land. Under Australian law, most permanent fixtures on land are considered the property of the tenure holder (Crabtree et al. 2012). This means that any transfer of DOGIT land to an Indigenous Corporation would also involve the transfer of these assets.

A range of government infrastructure is situated on DOGIT land without leasing arrangements (the exception is housing recently transferred to 40-year leases). This may make government hesitant to transfer land to Indigenous control, since they are afforded some comfort while councils remain the trustee of land assets.

Councils also own and manage a number of assets that would be transferred under any change of tenure to Aboriginal Freehold. They also stand to lose significant lease revenue—for example, the Queensland Government currently pays to Indigenous councils, in lieu of rates, annual fees of \$2,800 per house for social housing on 40-year leases (pers. corr. DHPW officers).

The Commission understands that it is possible to address these issues by securing leases over land containing assets during the transfer process from DOGIT to aboriginal freehold. The process for reaching agreement over lease terms may need to be carefully managed, with particular attention given to ensuring that communities are able to continue to enjoy benefits from government and council assets.

Any transfer process will also have to resolve any impacts on council revenues from a loss of lease income, particularly those relating to social housing. As discussed in chapter 14, Indigenous Councils are already revenue constrained and, as a result, struggle to sustain the delivery of basic municipal services.

## Communal rights need to be balanced with individual property rights

Most Indigenous land holdings in remote and discrete communities are held communally. Apart from some isolated pockets of freehold land, land holdings are predominantly Aboriginal freehold. This is a form of inalienable collective title, with tenure conferred to a corporation and held in trust for the benefit of an identified Indigenous group.

Lending and investment allows individuals and businesses to build the assets they own and enables the pursuit of economic opportunity, such as home ownership or start-up funds to initiate a small business. Loans with banks generally need to be secured with an asset so that if the borrower defaults, the bank can sell the asset and recoup its debt. The inalienability and communal nature of land interests including native title and Aboriginal land mean that these land interests are not readily 'bankable' (Crabtree et al. 2012).

Communal property rights can also impede economic development and wealth creation where they make it difficult to get things done and or discourage individual entrepreneurship (Box 12.3). While communalism is widely regarded as a central tenet of Aboriginal and Torres Strait Islander culture, this needs to be balanced against the need for individuals to participate in the modern economy.

The creation of subleases on long-term head leases is the principal means of establishing tenure security for investment and to promote individual dealings on Indigenous land. This is possible under the ALA and TSILA, with long-term leases preserving underlying communal title, while creating a transferable interest which can be used as collateral for a loan (COAG 2015). However, to issue a transferable lease, the native title interests of traditional owners first need to be addressed.

### Box 12.3 Are individual property rights important?

Hughes et al. 2010 argue that common land tenures and collective management have discouraged entrepreneurship and individual responsibility, and entrenched community dysfunction. They conclude that this has led to the low levels of productivity, economic activity and high levels of government dependence evident in discrete communities. The authors argue that individual property rights are key to kick-starting economic development and business activity. Home ownership is seen as a pathway to wealth creation, in combination with tenure reforms aimed at generating individual property rights.

Critiques of collective tenures have also argued that these systems constrain democracy. Ascribing leadership to only those able to prove an unbroken traditional use of their land excludes those from outside the group, even if they have a legitimate interest for historical reasons—this may be a real issue for the many residents of Queensland's discrete communities who are not traditional owners of the land, but whose ancestors may have been forcibly settled in these communities.

Further, communal governance arrangements are more likely to suffer from partisanship or nepotism, and tend to distribute benefits to the select favourite clique. This is further exacerbated by collective decision-making restricting the scope for individual action and risk-taking.

Noel Pearson, a prominent advocate for private ownership rights, is clear in his support for land rights, stating that communalism is 'the very basis of Aboriginal Culture' (cited in Bradfield 2005).

However, Pearson is also clear that collectivist tenures need to work with modern economies:

*Private ownership is a real issue for Indigenous reform and development. Communal land tenure works for hunter-gatherer economies but modern economies depend on property rights. There is a clash between the cultural imperatives of private tenure. (Pearson 2007)*

*The stultifying communalism of Aboriginal communities is the product of our bureaucratic dealings with the state rather than a true reflection of our ancient traditions. Until Aboriginal communities break out of the strictures of collectivism and free individuals and families to prosper and pursue a better life on their own right, we will continue to wallow in dysfunction and misery. (Pearson 2010)*

## Native title and tenure interests can be more easily resolved when interests are aligned

As discussed earlier, native title and tenure interests can be resolved through an ILUA which sets out agreed activities allowed on land holdings, including any compensation arrangements for future acts which impede native title interests (see Box 12.4). The ease by which an ILUA can be settled depends on the extent to which there is an alignment between the interests of the tenure holder and those of the native title holder.

### Box 12.4 Indigenous Land Use Agreements (ILUAs)

An ILUA is a negotiated agreement between native title groups and other parties (such as governments, pastoralists and mining companies) about the use and management of land and waters. ILUAs may cover many different things, such as the conditions upon which activities effecting native title maybe carried out, arrangements for cultural heritage inspections and the avoidance of damage to cultural heritage, compensation to native title holders for the loss of native title rights, the way in which the exercise of native title rights may be carried out, and protocols for future negotiations concerning Future Acts.

Land councils and RILIPO play a key role in facilitating ILUAs, including in settling the legal wording of the agreement, and facilitating and arranging meetings.

In its role as the Cape York native title representative body, Cape York Land Council (CYLC) facilitates the negotiation and registration of ILUAs. Some recent ILUA initiatives include:

#### **Mapoon Township Community Development ILUA (finalised 2015–16):**

- Anticipates the likely future development in the town area, including home ownership.
- Provides simplified processes and compensation formulas for native title consent for those acts.
- Enables development in Mapoon that is easier, quicker and less expensive for all parties.

#### **Peninsula Developmental Road (finalised 11 July 2017):**

- Significant benefits for traditional owners were negotiated as part of the ILUA, including employment and economic development opportunities.
- Allows the road works to proceed with validity in respects to native title.
- Provides for management of Aboriginal cultural heritage during the course of works.

#### **Sandstone East Aggregate ILUA (signed 2016):**

- It transferred 54,510 hectares of land as Aboriginal freehold to the ownership of its Traditional Owners.
- Some of the land will be declared as a jointly managed National Park.
- The remainder will be available for economic uses such as grazing, tourism and other uses as Traditional Owners see fit.

Source: Native Title Tribunal 2016; North Queensland Land Council 2017.

Creating incentives that align the interests and native title holders is likely to be a key to unlocking the potential of Queensland remote Indigenous land holdings—given the claims currently in progress, it is likely that native title will coexist with other interests for most of Cape York (National Native Title Tribunal 2017).

A Senior Officers Working Group report to COAG (COAG 2015) noted emerging concerns about land tenure resolution and suggested that a way forward was to invest both native title and tenure interests in the same body. This view was shared by some stakeholders; however, there were concerns that recent conversion of crown and DOGIT lands to Aboriginal freehold had not sufficiently considered how native title and tenure interests could be aligned.

Stakeholders expressed concerns that recent land transfer arrangements—where Aboriginal land tenures are being granted to Land Trusts, while native title interests are being determined by separate PBCs—are hindering development:

*Whilst native title determinations and tenure transfers to Aboriginal ownership in land trusts are strongly supported, issues have arisen in some ILGAs where separate Indigenous corporations have been established to hold different rights and interests in the same area of land. This arrangement is cause for further confusion and conflict in communities, and presents significant obstacles to social and economic participation and government service delivery. (Cape York Land Council, sub 11, attachment A)*

*The dual role of council as local government, and Land Trustee, also constrains development by stifling local entrepreneurial effort by setting up the Council and the PBC for complex negotiations and conflicts over land. Where native title exists over land for the Council is Trustee, there are interests held in the same land managed by two separate Indigenous organisations—the PBC and the council—which inevitably leads to tension. (Cape York Institute, sub. 26, p. 16)*

*Ideally land trusts and native title should be held by the same entity to streamline the tenure development process. The DNRM land transfer process under the Aboriginal Land Act 1991 and Native title process funded through the Australian Government don't always align. The DNRM process should have greater regard to native title process in decision making about land. Where PBC's exist, they should be the first preference as land holding entities. (Jim Turnour sub. DR10, p. 4)*

Where there is clarity on who holds tenure and native title, and interests can be aligned, stakeholders said that native title issues can be resolved:

*Burke Shire Council and the Gangalidda and Garawa Native Title Aboriginal Corp (NTAC) signed a ground-breaking Land Exchange Indigenous Land Agreement (ILUA) in 2014 following extensive consultation between the two parties. The ILUA dealt with over 22,000 hectares of land in Burketown with the result that both the Local Government and Traditional Owners now have access to land to meet various residential, commercial, conservation, community, cultural, civic and industrial needs. (Burke Shire Council sub. DR18 p. 4)*

### 12.3 A way forward

Land tenure issues are much broader than the scope of this inquiry, and require a full consideration of a range of legal and technical issues. Because of these limitations, the Commission's recommendations are reliant on the issues identified by key stakeholders, and, as such, may not consider all factors.

The Cape York Land Council submissions propose an ideal LAS (sub. 20 and sub. DR013). The Commission considers that the features in these submissions provide a sound basis for land use that respects various land interests, and addresses many of the land use issues raised by stakeholders. These features are outlined in Box 12.5.

Given its historical issues, the LAS is moving in the right direction. However, the LAS remains difficult and expensive to navigate—significant gains will be made by reducing transaction costs. In particular:

- Given the underlying inalienability of most Indigenous land holdings, leases will become the primary means through which individual and transferable property rights can be established. Indigenous and non-Indigenous interests must be able to easily and inexpensively acquire and register leases. Land trustees and other relevant parties must be supported in their role in granting leases.
- Native title interests need to be resolved through ILUAs. The development of broad-based or process ILUAs may require significant upfront resourcing, but will lower future transaction costs and enable land use.
- Multiple tenure types, with varying resource rights add complexity and make it difficult for tenure holders to navigate land administration.
- Improved statutory planning will make it easier for Indigenous land holders to navigate the LAS, reduce transaction costs and better enable economic and other development.
- Additional transaction costs arise where unnecessary planning permissions are required. Effective master planning can identify appropriate future land uses and establish investment-ready land that can be easily accessed for development.
- Aligning native title and tenure interests will significantly reduce transaction costs. Transaction costs can be minimised by ensuring that future allocations of Aboriginal freehold land are made with consideration for existing and future native title holders.
- The capacity of land holding bodies (both native title and land tenure) is an important factor in reducing transaction costs for those (Indigenous or non-Indigenous) parties wanting to use land on which Indigenous interests exist. Unlike fee simple freehold, the underlying decision-making powers are not transferable. How such capabilities are developed or provided will be important for future economic development.

We also note that some of these issues fall outside of the responsibility of the Queensland Government. For example, native title issues and funding for native title bodies is an Australian Government responsibility. Similarly, local government has a critical role to play, particularly the Indigenous councils in discrete communities.

All three levels of government need to work together with Indigenous land holders to develop solutions. The Commission recommends that the Queensland Government take a lead role in this regard. As the Cape York Land Council states:

*This is a challenge of leadership that the Queensland Government must embrace. (sub DR13, p. 5)*

## Box 12.5 CYLC's proposed Land Administration System

**Land Tenure and Property Rights.** The primary land tenure layer is inalienable and communally owned Aboriginal freehold, except for small areas where other tenures such as road reserves exist as appropriate. Aboriginal freehold property rights include rights to resources such as timber, gravel, carbon, water, vegetation, etc., and the right to grant legally secure and fully transferable leases and other interests in land to individuals or companies as a secondary tenure layer.

**Native Title.** A native title determination has been completed, and land where native title continues to exist has been confirmed.

**Holding of Interests in Land.** A single Indigenous Corporation performs the functions of (1) a Registered Native Title Body Corporate (RNTBC) to hold and manage native title rights and interests, and (2) a Land Trust to hold and manage Aboriginal freehold and other tenure rights and interests in land. The Corporation's constitution identifies how it operates in the interests of native title holders and Indigenous parties with historical interests in land.

**Land Title Registration.** Each parcel of land used for (or planned to be used for) a discrete purpose (such as home ownership, business or service delivery) is surveyed and registered as a lot. Parties with an interest in each lot are recorded on the Land Title Register. This includes existing land users, such as the local government and service deliverers, having registered leases over the land they use.

**Native Title Consent.** A process ILUA provides simple, inexpensive and quick processes for the consideration of native title consent for a range of future acts, including leasing of land and associated development, and a cultural heritage management process for development.

**Land Use Planning and Management.** An assessment of land values and appropriate uses is performed and used to prepare a statutorily-compliant planning scheme that provides for appropriate development in the ILGA. Other legislation and plans do not constrain appropriate development. If the Indigenous Corporation agrees to manage some land for public good conservation outcomes then the Indigenous Corporation is appropriately resourced to achieve these agreed outcomes.

**Capacity for Social and Economic Participation.** Indigenous Corporations, home owners, development proponents, local governments, and other social and economic participants and service providers have adequate capacity and support to participate successfully. Significant legal, accounting, governance and other relevant advice and support is provided by a regional level organisation/s which has suitable capacity and relationships with Indigenous Corporations.

**Municipal Service Delivery.** Local government provides adequate municipal services to support home ownership and economic development, and annual State land valuations supports a local government rates system.

**Development Prospectus.** A Development Prospectus, based on outcomes of the land assessment and land use planning, is prepared for each Indigenous Corporation to identify opportunities for social and economic participation based on land use and development.

**Proactive Leasing.** The Indigenous Corporation proactively grant interests in land through the lease of lots for home ownership, commercial, service delivery and other purposes. Leases are proactively facilitated using: the Development Prospectus; leasing policies such as home ownership eligibility criteria and a price schedule; and a Trust Account to underpin home ownership and ensure finance options, equity and resale certainty.

Source: Cape York Land Council Aboriginal Corporation sub. DR013.

Moving forward, the Commission recommends that the Queensland Government progress land tenure reform by establishing a roadmap built upon wider engagement and a full technical and legal assessment.

*The LGAQ has for some time advocated for an overarching plan for land tenure reform in Queensland's Indigenous local government areas, recognising that appropriate land tenure underpins and enables regional economic growth and community advancement.*

*This is a very complicated matter with tensions or potential for real tensions forming between elected bodies and Prescribed Body Corporates (PBCs) over land use matters...It needs dedicated attention and resourcing to develop a blue print for moving forward in the cultural and economic interests of the community as a whole. (LGAQ sub DR12, p. 14)*

Given our analysis and stakeholder views the Commission has identified the following key issues for consideration in the government's roadmap.

### **The importance of the land tenure system needs to be better recognised**

While the Commission acknowledges the work being done by RILIPO, a more strategic and cross-agency approach could be considered. For example, the government's strategic policy for increasing economic participation—the Moving Ahead strategy (DATSIP 2016d)—makes no mention of land tenure issues or how the large Indigenous land holdings might facilitate economic development.

### **The capacity of Indigenous land-holding bodies needs to be supported**

Unlike fee simple freehold, the arrangements for Aboriginal freehold land mean that the underlying decision-making powers are not transferable. This means that the capabilities of the Aboriginal Corporations that act as trustee of this land will be important in facilitating economic development.

Extensive legislative and technical expertise is required to maximise opportunities from land interests. While there is a recognition that this capacity is growing amongst Indigenous organisations, work remains to be done. Representative bodies need to be sufficiently resourced to provide technical, governance and other support for Indigenous organisations managing land interests. The Commission understands RILIPO has sought additional budget allocations to undertake this work. However, some consideration should be given to who is best placed to manage these functions. For example, it is possible that communities would be better served if some functions were under community control.

*There are planners in the private sector that can undertake functions performed by the program office and funding PBCs/Land Trusts to undertake master planning would enable greater community control. The program office should be a service provider to a community and traditional owner driven agenda. (Jim Turnour sub. DR 10, p. 5)*

The Commission notes that land councils are currently providing support for tenure resolution, even though this may be outside of their funded charter of operations. Stakeholders had mixed views about whether this was working effectively. Consideration should be given to whether land councils are best placed to provide this support or whether these functions could be consolidated into the authorising bodies discussed in Chapter 8.

### **Consolidate tenure arrangements**

Government should ensure that work being done to undertake cadastral surveys in discrete communities is completed—this would mean that each parcel of land being used for, or planning to be used for, a discrete purpose is surveyed and registered as a lot, and the parties with an interest in each lot are recorded on the Land Title Register.

All stakeholders should consider whether benefits would result from merging native title and tenure interests, and, if so, what mechanisms might best encourage merging native title PBCs and land trusts into single entities where this would facilitate better and more efficient use of land.

Consideration needs to be given to how the interests of both native title holders and persons with an historical interest could be brought together—while there was general agreement amongst stakeholders that holding both native title and tenure interests in a single body would make it easier for land dealings to occur, there was no consensus on how this could be achieved or whether this was possible in practice.

### **Consolidate efforts**

Broad-based ILUAs provide an opportunity to resolve native title:

*A process ILUA provides simple, inexpensive and quick processes for the consideration of native title consent for a range of future acts, including leasing of land and associated developments and a cultural heritage management process for development. (Cape York Land Council sub. 20, p. 4)*

The Commission understands that RILIPO has been active in facilitating the development of town ILUAs, but that these are yet to be completed. Consideration should be given to whether there would be benefits from moving this function into community control.

The Commission also recommends that the government avoid the use of project-specific ILUAs wherever possible, as this will avoid duplication and waste—this may require projects working to community timeframes rather than those demanded by government processes.

### **Complete conversion of DOGIT land to Aboriginal Freehold**

Government should commit to completing the conversion of DOGIT land to Aboriginal Freehold. A timeframe for this should be negotiated with key stakeholders.

### **Ensure that communities can more easily proceed with development opportunities**

Government could work with communities to fully assess land values, determine appropriate uses and ensure these are captured properly in statutory-compliant planning schemes. The Commission commends current Queensland Government action to work with communities to develop forward-looking planning strategies (Queensland Government sub. 27, p. 13). However, this work may need to be driven more by Indigenous stakeholders, and may need statutory backing. Consideration should be given to what role authorising bodies may play in enabling better statutory planning under the broader reform agenda.

### **Recognise public good activities**

Where Indigenous corporations agree to manage land for public-good environmental outcomes, consideration should be given to how these bodies are resourced to provide these outcomes.

### **Ensure Indigenous involvement in implementing changes**

To achieve change, there will need to be cooperation between agencies, councils and Indigenous land holding entities. In the reform regions, authorising bodies could work with these parties to develop an action plan that outlines actions, responsibilities and timeframes.

---

## Recommendation 15

The Queensland Government should develop a land tenure reform plan that sets out a desired land administration system, with an associated roadmap for reform and timeframes for completion. The plan should:

- facilitate the conversion of Deed of Grant in Trust (DOGIT) land in townships to Aboriginal Freehold
- better align future transfers of land tenure under the Aboriginal Land Act and Torres Strait Island Land Act with existing native title interests
- provide avenues for existing land tenure and native title interests to be consolidated or integrated to align those interests
- facilitate the use of broad-based Indigenous Land Use Agreements (ILUAs) to resolve land tenure and native title interests to allow future economic development
- support the use of master planning and statutory planning schemes to better facilitate economic development
- consider how Indigenous land holding bodies can be supported to allow better decision making
- determine where the functions to support reforms should be allocated—including whether any functions to support the land administration system should be moved to community control
- consider the changes required to sustain a functioning rates system for Indigenous councils.

The plan should be developed with stakeholders, including the Australian Government, Indigenous Councils and Indigenous land holding bodies.

The Queensland Government should also:

- complete the survey and registration of land parcels currently in use (or planned to be used) in discrete communities
  - avoid the use of project-specific ILUAs
  - resolve outstanding ‘Katter’ leases.
-

Figure 62 Land transferred to Aboriginal Freehold

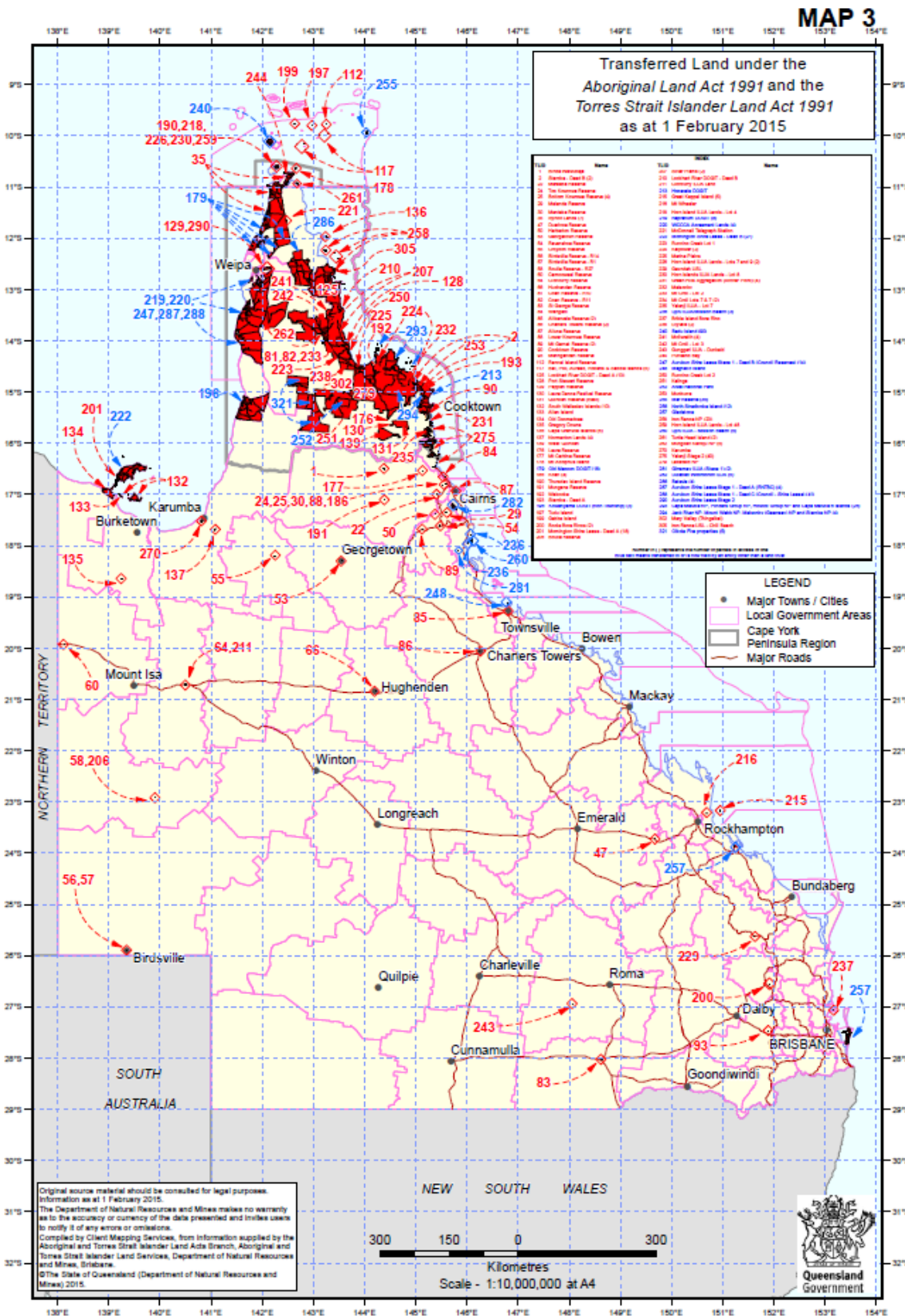
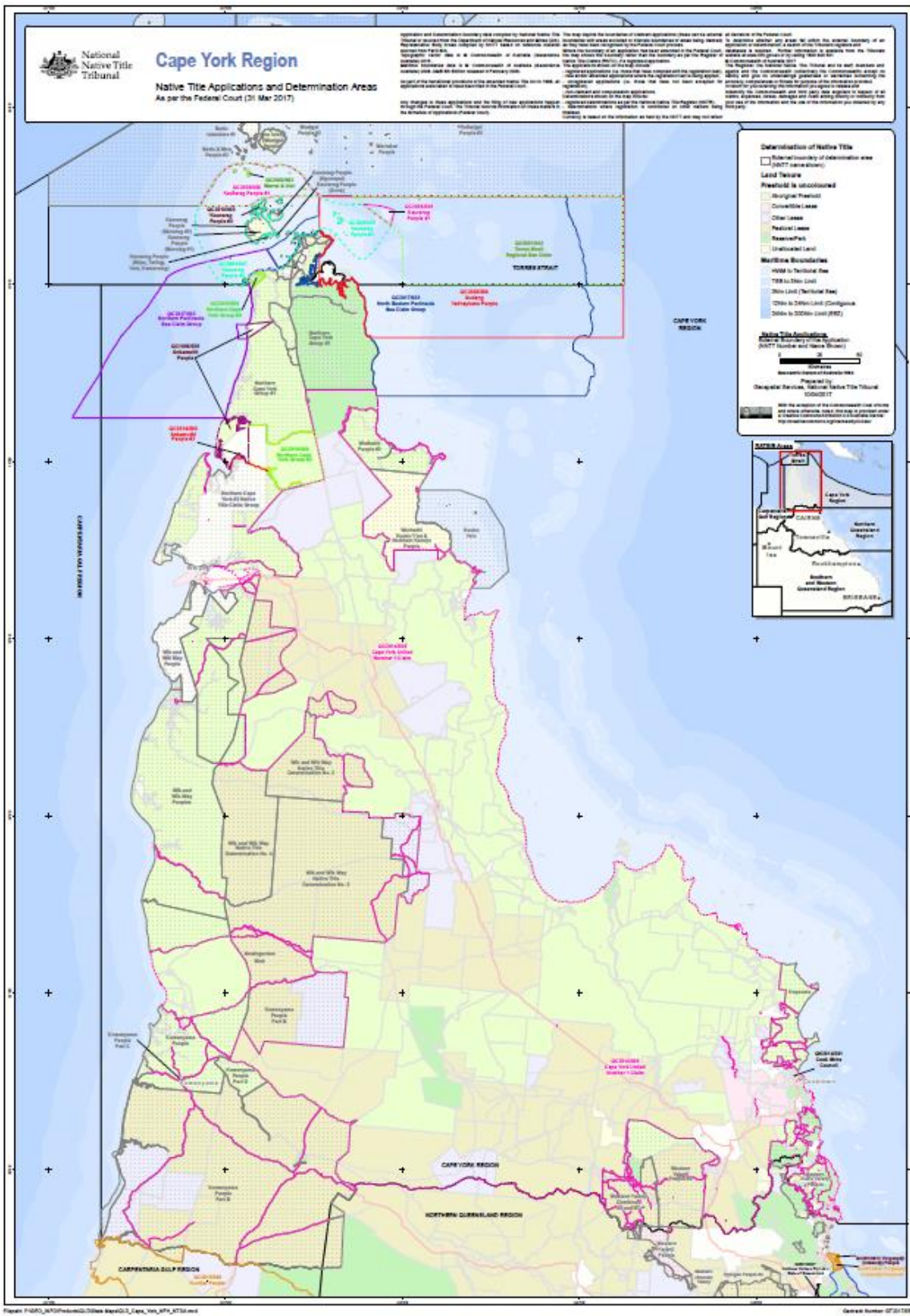
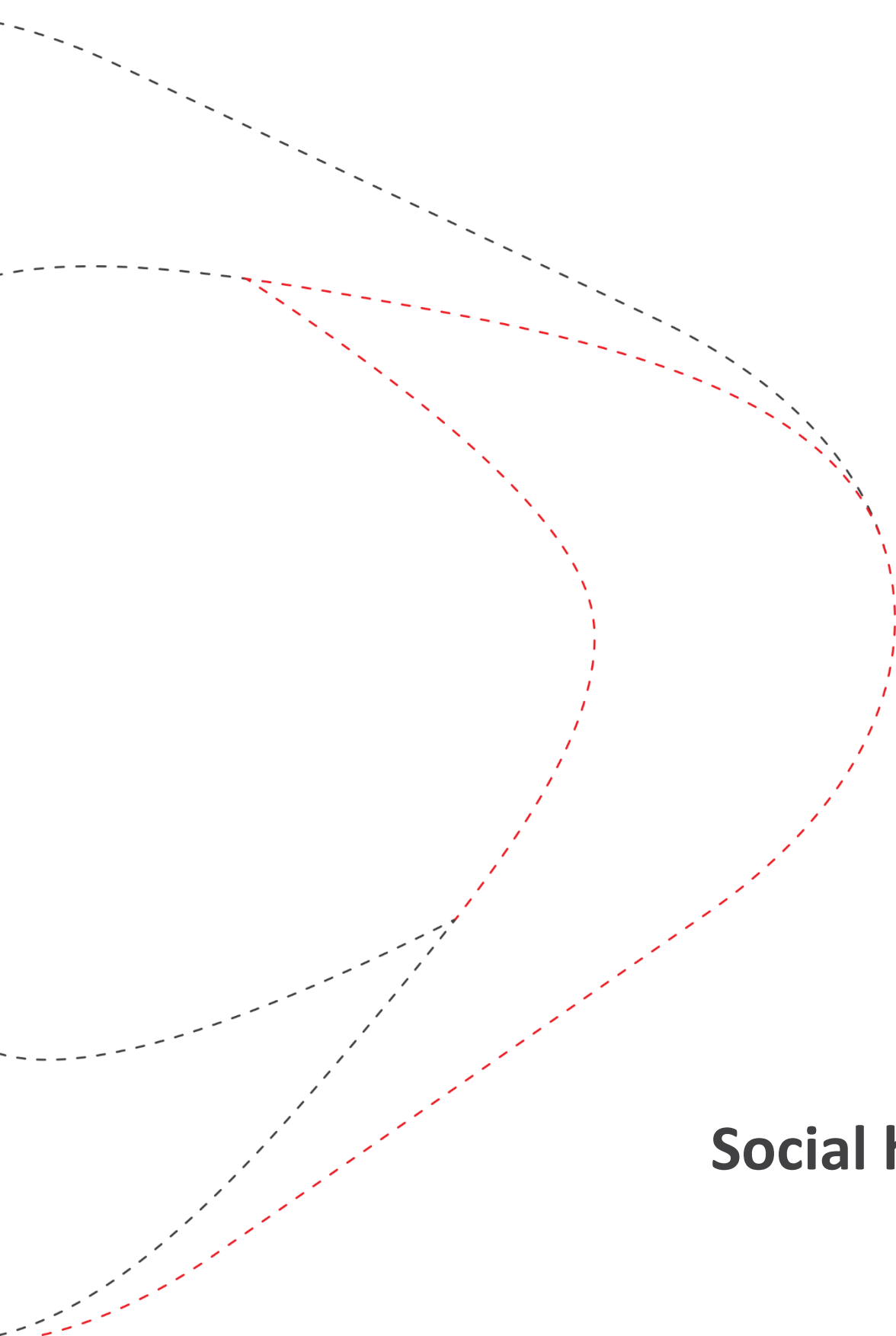


Figure 63 Native title claims - Cape York region



Source: National Native Title Tribunal, 2017



# 13.0 Social housing

*This chapter explores issues associated with the provision of social housing in remote and discrete Aboriginal and Torres Strait Islander communities. The issues presented in this chapter are also related to many of the issues presented in the chapter examining land tenure, even though that chapter mainly deals with the use of land for home ownership.*

## Key points

- Remote and discrete Aboriginal and Torres Strait Islander communities suffer from high levels of overcrowding.
- There is a high dependency on social housing in discrete communities—this is largely the result of historical policies. The need for subsidies in the communities will remain for the foreseeable future. However, there has been no commitment from the Australian Government to fund remote social housing past 2018.
- Many of the social housing tenancy and maintenance functions previously performed by community organisations and councils have been transferred and mainstreamed through the Department of Housing and Public Works (DHPW).
- Stakeholders have raised concerns that the new arrangements are overly bureaucratic, inefficient and inappropriate for remote settings. This is supported by evaluations. Similar concerns have been raised about new construction that is coordinated by Building Asset Services (BAS).
- Some stakeholders have also raised concerns about the suitability of housing design, questioning its suitability for Indigenous residents in remote and discrete communities.
- Social housing in remote communities:
  - is expensive to manage. Even when capital costs are excluded, rent collections are estimated to cover only 16 per cent of costs
  - creates a range of perverse incentives that may discourage the uptake of economic opportunity, entrench disadvantage and discourage travel for medical treatment.
- Many of the discrete councils are dependent on revenues from the construction and maintenance of housing. This is unsustainable over the longer term and likely to crowd out private opportunities—caution is required to ensure that perverse incentives are avoided.
- Solutions are not simple, but may include:
  - greater involvement of Aboriginal and Torres Strait Islander people in property and tenancy management
  - the removal of red tape associated with construction and maintenance
  - the use of innovative programs to increase resident's 'skin in the game'.
- Social housing that is made available for home ownership uses a schedule of prices that are higher than reasonable market value. Given the high costs of managing social housing and the significant home ownership opportunities it would create, benefits could be realised by offering existing social housing stock to long-term tenants at zero (or low) cost.

## 13.1 Background

### Housing in remote and discrete communities is overcrowded

The latest Census<sup>40</sup> data (ABS 2017) show that, across all remote and discrete communities, 22 per cent of indigenous households were overcrowded. This is more than seven times the average rate for all households in Queensland (3 per cent).

The rate of overcrowding varies considerably between communities. Rates are much higher in the discrete communities (31 per cent), with some communities experiencing extremely high levels of overcrowding. For example, close to 50 per cent of all households in Yarrabah are overcrowded (ABS 2016a).

Official estimates may significantly understate the actual level of overcrowding in Indigenous households (see Box 13.1).

#### Box 13.1 Assessing housing need—Yarrabah case study

Housing need is normally assessed by the level of overcrowding. Most indicators of overcrowding (including the Census) are based on the Canadian Occupancy Standard (AIHW 2012). It states:

- There should be no more than two persons per bedroom.
- Children younger than five years of age, of different sexes, may reasonably share a bedroom.
- Children five years of age or older, of opposite sex, should have separate bedrooms.
- Children younger than 18 years of age, and of the same sex, may reasonably share a bedroom.
- Single members 18 years or older should have a separate bedroom, as should parents or couples.

Using this standard, Census data show that almost half of Indigenous households in Yarrabah are overcrowded, around 10 times the rate for all Queensland households. Although the official rate of overcrowding is very high, it may significantly understate the true level of overcrowding.

Using unpublished data from the Department of Housing and Public Works (DHPW 2017), official population statistics (QGSO 2016) and data from the 2016 Census, the Commission estimates that the average occupancy rate for Yarrabah is around two persons per bedroom.

Yarrabah Council's submission (sub. 11, p. 20), suggests that there are significantly higher levels of overcrowding in Yarrabah than are suggested by official data. The submission suggests that the population of Yarrabah may be as high as 4,400 people, much higher than official estimates. If this figure is correct, this would mean that there are more than three people for every bedroom in Yarrabah—around 50 per cent higher than suggested by the official data.

This underestimation occurs because the ABS Census excludes Aboriginal visitors when calculating household size—however, residential mobility is high amongst Aboriginal communities and long-term visitors are common (Memmott et al. 2013).

<sup>40</sup> Some caution needs to be exercised with Census data, since it significantly undercounts the Indigenous population. For example, a recent estimate suggests the 2016 Census will undercount the Indigenous population by 17.5 per cent (ABS 2017).

## Housing affects wellbeing

The quality and quantity of housing is a fundamental factor in the wellbeing of residents in remote and discrete communities, determining the extent to which residents have access to shelter, privacy, safety and security.

High levels of overcrowding are associated with negative effects on health, family relationships and children’s education:

- Health can be negatively affected if houses are not appropriately designed for the number of residents, and inadequate bathroom, kitchen and laundry facilities can make it difficult to control the spread of infectious disease (Hall et al. 2017).
- Overcrowding increases wear and tear on health hardware (such as doors, toilets and taps)—taking steps to ensure health hardware is maintained has been shown to have large positive effects on health outcomes (Box 13.2)
- Overcrowding has been shown to negatively affect economic participation since it encourages ‘humberging’, and can make it challenging to manage other household responsibilities and disrupt sleep (DPMC 2017b).
- Learning and cognitive development in children are negatively affected by crowding, particularly if there is insufficient space in which to study without disruption (SCRGSP 2016a, p. 10.4).
- Insufficient control over living space has been shown to increase domestic tension and can increase the chance of domestic violence (SCRGSP 2016a, p. 10.4).

A lack of housing options in communities means that even those with secure jobs are not immune from the effects of overcrowding.

### Box 13.2 What works—NSW Housing for Health Program

The Housing for Health Program was initially developed in the late 1980s by a small group called HealthHabitat, and still operates today. The program is based around research that found improving essential health hardware (fixing a leaking toilet, ensuring working hot water for washing, having somewhere to wash children, reducing dust, etc.) could lead to improvements in health status and reduce the risk of disease and injury.

The program works with communities and trains local staff to work with technical specialists to inspect, test and repair household fixtures. Only fixtures that have been related to health outcomes are targeted, and works are prioritised in terms of their evidence-based health benefit. The program encourages the use of local tradespeople to carry out specialist works (electrical and plumbing).

The program operates on a small budget—between 1998 and 2009, around \$10 million was allocated to the program.

An evaluation conducted in 2010 found that 9,528 people had benefited from the program, with over 51,700 items fixed. Those who received the Housing for Health intervention had a significantly reduced rate of hospital separations for infections diseases—around 40 per cent less than for the rest of the rural NSW Aboriginal population who did not receive the intervention.

Source: NSW Health 2010.

## Social housing is the main way overcrowding has been addressed

Social housing has become the primary way overcrowding has been addressed, particularly in the discrete communities.

The supply of social housing is primarily funded by the Australian Government through agreements with states and territories. In 2007, the Australian Government committed to a \$5.4 billion National Partnership Agreement for Remote Indigenous Housing (NPARIH)<sup>41</sup>, which had the objective of reducing overcrowding and improving poor housing conditions. Although NPARIH is the primary funding available to remote and discrete communities, other funding for social housing in discrete communities (particularly those not classified as remote) is available under the National Affordable Housing Agreement (NHHA).

Social housing built under the NPARIH appears to have made significant inroads to addressing overcrowding. The Commission estimates that overcrowding rates across all remote and discrete communities have fallen by around a third since 2006. However, overcrowding in the remote and discrete communities remains more than seven times higher than the state average.

Funding for NPARIH<sup>42</sup> is due to end on 30 June 2018. The Australian Government has committed \$245 million to remote Indigenous housing in Queensland, with a target of 338 new builds, over the period 2016–18 (DPMC 2016b). Although this funding will help address overcrowding rates, it will not be sufficient to bring rates in line with the rest of the state.

The LGAQ (sub. 14, p. 33) estimates that a further 1,800 to 2,000 new homes will be required to meet current demand. Yarrabah Shire Council (sub. 11, p. 21) has conducted a review of their housing needs which found that 700 new houses need to be built to bring overcrowding levels in line with those in mainstream communities.

At the time of writing, no agreement is in place to provide funding for new housing in remote and discrete Aboriginal and Torres Strait Islander communities after 2018.

## High dependency on social housing

Almost all housing in the discrete communities is social housing (Table 28). In 2016, 90 per cent of households in discrete communities lived in social housing. This is not necessarily by choice—in discrete communities, a lack of individual title means that there is little opportunity for private rental markets to operate, and historically, there has been no opportunity for home ownership. Up until 2008, it was not legally possible for a resident in a discrete Aboriginal and Torres Strait Islander community to own their own home, and until a few years ago, cadastral surveys had not been conducted to identify individual lots (DATSIP 2017, Habibis et al. 2016).

The Queensland Government's RILIPO has played a significant role in addressing many of these issues; however, there are still a number of outstanding concerns (see Chapter 12, Land tenure).

Home ownership rates are very low in discrete communities. In 2011, 3 per cent of households in mainland discrete communities lived in a home they owned. Outside of the discrete communities, home ownership rates are much higher, with 38 per cent of Indigenous households living in their own home.

<sup>41</sup> NPARIH was re-badged as the Remote Housing Strategy in 2016.

<sup>42</sup> As of 1 July 2016, the National Partnership on Remote Housing (NPRH) replaced NPARIH. NPRH has refocused outcomes on improved housing sustainability and Indigenous business and employment opportunities (DPMC 2016a).

**Table 29 Tenure types, Indigenous households, 2016**

Tenure type	Torres discrete (%)	Mainland discrete (%)	Other remote (%)	Rest of Queensland (%)
Own home	7	3	38	38
Rented—social housing	80	94	24	14
Rented—private	2	0	26	44
Rented—not stated	10	3	12	3
Other or not applicable	1	1	1	1

Source: ABS 2017.

## Housing policy has shifted between community and state control

Responsibility for the construction and management of social housing defaulted to Indigenous councils following their establishment in the 1980s. Prior to this, housing had been administered by the State or by the former Missions.

Housing transferred to Indigenous councils in the 1980's was in poor condition and overcrowded, had been poorly managed, and the transfer of management responsibility failed to adequately provide any system of tenancy management, housing policies and procedures for the training of staff (Habibas et al. 2013).

Up to 2007, the Community Housing and Infrastructure Program (CHIP) was the predominant source of funding for social housing, with housing managed by Indigenous councils or by Indigenous Community Housing Organisations. A review of CHIP found that an absence of regulation and enforcement of housing standards had resulted in poor quality construction, a lack of appropriate maintenance and poor financial controls (PWC 2007). The review recommended that future management of social housing stock be undertaken by the state rather than Indigenous Housing Organisations.

In 2007, the Australian and state governments agreed to reform social housing in remote and discrete communities through NPARIH, which provided funding for construction, maintenance and management of new housing to be managed by DHPW. To secure government funded dwellings, 40-year leases were created for new and existing dwellings (DPMC 2016b, Habibis et al. 2016). For those dwellings that were secured under the 40 year leases, property and tenancy management was 'normalised' to public housing standards and managed by DHPW.

By 2017, most social housing in discrete communities had been transferred under the control of DHPW (Table 30). The exceptions are Yarrabah and Cherbourg (which are not classified as remote and are therefore not eligible for funding under NPARIH) and the Torres Shire Council (who resisted the transfer of their social housing stock). Under these arrangements, tenancy management, such as rent setting, arrears management, allocations and eligibility came under state control and became subject to public housing policy (Habibis et al. 2016).

**Table 30 Social housing management in the discrete communities, 2017**

Manager	Number of houses
Government	3196
Community	1722
Total	4918

Source: DHPW 2017.

## 13.2 Issues and challenges

### Reliance on government subsidies

Demand for housing in the remote and discrete communities is likely to remain high for the foreseeable future:

- The natural rate of population growth in remote and discrete Aboriginal and Torres Strait Islander communities is significantly higher than for the population in the rest of the state.<sup>43</sup>
- Many Aboriginal and Torres Strait Islander people living outside of the discrete communities would like to return to their communities but cannot due to a shortage of housing—Yarrabah Shire Council, for example, estimate that there is significant unmet demand for housing, with many individuals living in Cairns due to housing shortages in Yarrabah.

While a range of measures could improve housing in communities, it is likely that the communities will remain reliant on public subsidies for the foreseeable future:

- There is little private rental market activity in remote communities and almost none in discrete communities.
- Construction costs in remote areas are high and harsh weather conditions results in high rates of depreciation (Szava et al. 2007).
- Banks are hesitant to provide loans for home ownership in remote and discrete communities because construction costs are high, incomes are low and markets are shallow (ANZ 2007, Crabtree et al. 2012).
- Residents have limited experience with home ownership (Memmott et al. 2009).
- The use of alternative financing options, such as social impact investments is challenging, because of the high costs of constructing and managing housing, and the low incomes of most residents (Nous Group 2017).

### Property and tenancy arrangements are a work in progress

DHPW sets social housing rents as a proportion of income up to the market rent. In the remote and discrete communities, the Commission understands that maximum rents are set using benchmark market rents from Burketown (pers. comm. DHPW staff). Under this model, social housing rents are very low (Table 31) and do not cover costs.

The majority (83 per cent) of social housing tenants in remote and discrete communities have no or only very minor arrears.<sup>44</sup> Conversations with department staff suggest rental arrears have fallen significantly since the NPARIH reforms.

**Table 31 Rents in DHPWW-managed housing in discrete Aboriginal and Torres Strait Islander communities**

Number of properties	Average rent payable	Average market rent on tenancy	Average subsidy	Properties in arrears	Average arrears
2988	\$116.35	\$124.24	\$8.41	668	\$380.40

Source: DHPW 2017.

<sup>43</sup> Net population growth in most discrete communities is constrained by high levels of out-migration. There is some evidence that the construction of new housing has reduced incentives for residents to move away from community, in turn, working to offset gains to address overcrowding (see Yarrabah Shire Council sub. 11).

<sup>44</sup> While 17 per cent of residents are 4 weeks or more in arrears, these arrears do not make a significant contribution to the net cost of service delivery.

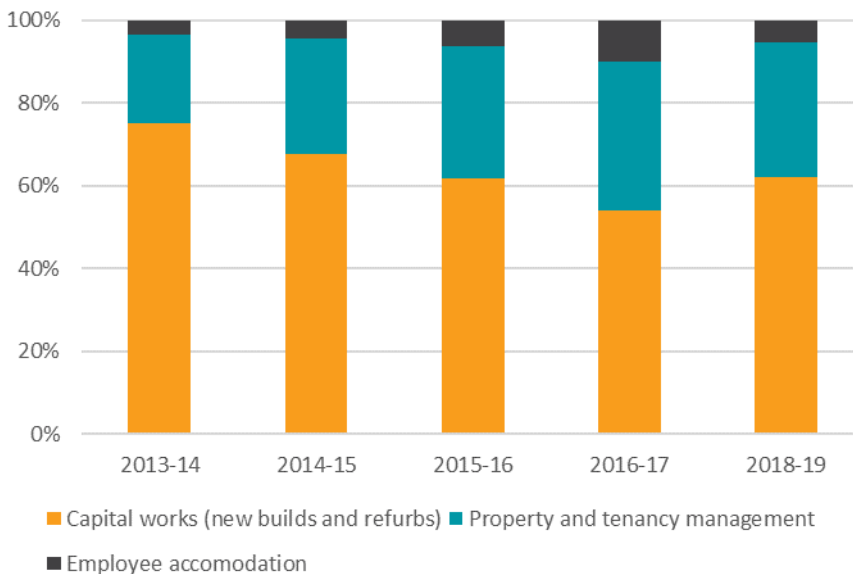
Habibis et al. (2016) found that the NPARIH reforms provided some improvements to tenancy management. However, these positive effects were most evident in jurisdictions that used a hybrid tenancy management model where the state had worked to build capacity rather than take control. The authors found that, for the Queensland communities reviewed, changes to tenancy management had been less successful, with little change in tenants' perceptions of change and low levels of satisfaction around tenancy management arrangements.

## Property and tenancy management costs are high—as a result rent collections fall far short of covering costs

Although the Commission was not able to determine the total cost of managing social housing stock in communities, it appears that these costs are high.

Data show that, of the \$4.3 billion<sup>45</sup> NPARIH funding provided to state and territory governments, over the life of the agreement, around \$930 million or around 21 per cent was on property and tenancy management. Over the last five years of the reforms, property and maintenance accounted for \$630 million, or around 30 per cent of all NPARIH funding over the same period (Figure 64).

**Figure 64 NPARIH funding to the States and Northern Territory – last 5 years**



Source: DPMC 2016b

One of the main reasons that these costs are so high is that the cost of maintenance in remote communities is much higher than the rest of the state. The Nous Group (2017), found that most maintenance and repair activities in remote Indigenous housing cost between 1.4 and 4.5 times the cost of the equivalent activity in mainstream public housing, with some specific items up to 47 times higher. For example, they found that the per-unit cost of replacing a smoke alarm in very remote and island communities is between \$500 and \$2,000.

Emergency repairs were found to be particularly costly, with unplanned maintenance around 75 per cent higher, on average, than planned maintenance. At the extreme, some emergency repairs were 20 times higher than for planned maintenance.

<sup>45</sup> Total excludes expenditure on Indigenous community housing reforms.

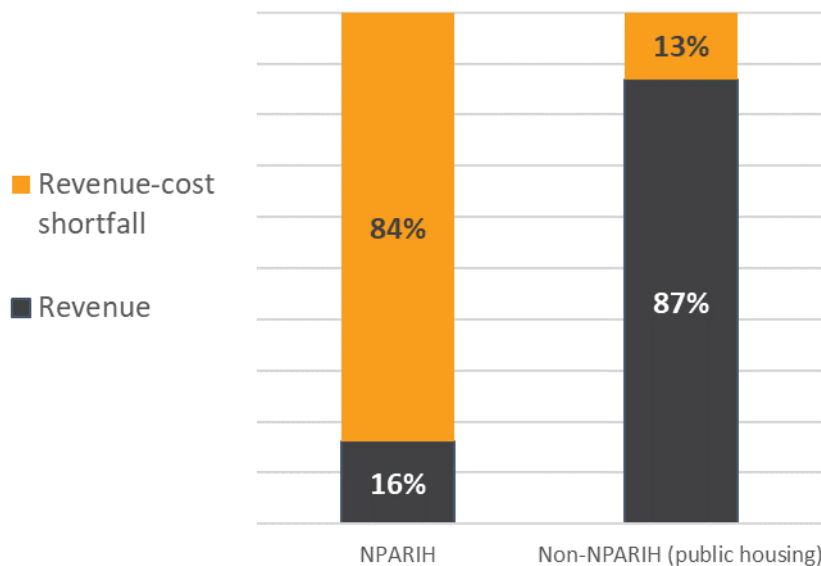
The primary drivers of cost of maintenance in remote communities were labour and travel costs, with travel costs accounting for up to 96 per cent of total costs for emergency repairs.

Although accounting for a smaller proportion than repairs and maintenance, tenancy management costs are also high.

While the Commission has not been able to allocate all Queensland Government expenditures on tenancy management to the remote and discrete communities, data from DATSIP show that these are large in the communities where data are available. For example, data show that in 2015–16, over \$400,000 was allocated to tenancy management in Hope Vale—a community with 226 state-managed houses.

The high ongoing costs associated with property and tenancy management in remote communities means that the majority of costs are not covered by rental income. A recent review (Nous Group 2017) estimated that only 16 per cent of delivery costs, excluding capital costs, are covered by rental income. This compares to 87 per cent in non-NPARIH public housing.

**Figure 65 Rental income as a proportion of annual ongoing costs (2017–18 Budget)**



*Note: costs include recurrent maintenance, capital upgrades and other expenses such as motor vehicles, travel costs and administration costs. Costs do not include depreciation or tenancy management costs.*

*Source: Nous Group 2017*

## Maintenance arrangements could be more efficient

The changes to property and tenancy management under NPARIH (where management moved to state control) have had mixed success, with maintenance arrangements appearing to have significant room for improvement.

Maintenance for properties covered by 40 year leases are now managed through Building Asset Services (BAS), a business area of DHPW. Maintenance issues are reported through a public housing call centre. These changes appear to have resulted in a system that is both inefficient and culturally inappropriate.

*Maintenance is the aspect of the model that works least well in the case study communities. A high level of dissatisfaction from tenants and other stakeholders was evident regarding maintenance arrangements. A variety of concerns were reported: blue phones often don't work or tenants are reluctant to use them for a range of reasons including delays getting through, language barriers and the call centre operators not understanding the remote community context... Tenant complaints about delays in repairs and maintenance as maintenance budgets are stretched and it is increasingly only urgent health and safety issues that is undertaken. Tenants also complain about not receiving information about maintenance, including maintenance contractors arriving without notice ... Stakeholders also raised concerns about the efficiency and cost of repairs and maintenance due to the duplication of effort and cost where the Building Assets Services, council and private contractors are all involved. (Habibis et al. 2016, p.58)*

These concerns were echoed by many stakeholders, particularly regarding the way that maintenance is reported:

*The principal means of reporting maintenance issues for social housing is via "BluePhones" in each community which connect directly to a BAS call centre in South East Queensland. Call centre staff frequently lack awareness of the existence, location and culture of the Torres Strait. When this lack of cultural awareness is combined with the fact that English is the 2nd or 3rd language of many callers, it makes the system very difficult for community members to navigate.*

*Tenants frequently report having made multiple reports of maintenance requirements with no feedback or work completed. This in turn impacts on rental collection rates, as tenants cease paying rent with the belief that they are not required to pay rent until maintenance is completed. (TSIRC sub. 12, p. 29)*

This is not a new issue and was raised by stakeholders when the reforms were first implemented.

*I am sure that there are no blue phones anywhere still extant in the former Soviet Union. The last holdouts of bureaucratic socialism on the planet live under the name of housing reform in remote indigenous communities. (Pearson 2010)*

Stakeholders also raised concerns about inefficiencies in the way that maintenance works happen, particularly the relationship with BAS. TSIRC (sub. 12, p. 27) identifies inefficiencies in the current system, including in the way that works are priced, scoped and inspected. These include:

- excessive bureaucracy causing delays to approvals for works that leave works needing to be completed quickly, exacerbating the difficulties associated with remote works
- scoping errors that lead to houses already upgraded being scheduled for works, while others in need of upgrading are ignored
- inspections to verify work completions being undertaken by fly-in, fly-out BAS staff, when this could be done using existing local qualified residents for less cost
- a lack of holistic planning meaning BAS staff need to fly in and out on a regular basis, when this could be done in a single trip.

## Community involvement seems to improve housing design but bureaucratic processes do not support this

There has been a longstanding concern that social housing is not always constructed in a way that best meets the needs of Aboriginal and Torres Strait Islander residents living in remote and discrete communities (Habibis et al. 2013). For example, a review conducted in 2008 (that included some remote communities in Queensland) identified significant liveability problems relating to a lack of concern for ‘core cultural issues’, a general lack of liveability in internal and external spaces and the ineffective management of the planning process (Fien et al. 2008, p. 1).

These concerns were raised by several stakeholders:

*Poor design of housing settlement and planning, require more transparency and active input from an inclusive approach that provide much needed desire for community to have input into planning a design that give prior informed consent. (NWQICSS sub. 23, p. 8)*

*Housing needs to respond to the market rather than rely on historical approaches to housing in Indigenous communities. It has been proven time and time again that the current design parameters fail in Yarrabah. Houses are being worn out prior to the end of their useful life because they are an inappropriate design ... the standard departmental design policy is totally inappropriate for community style living ... The current design policy is therefore outdated and culturally insensitive and would never survive if Yarrabah people had the same choices as if they could engage in the free market. (YSC sub. 11, Annexure D, p. 5)*

The recent review of NPARIH (DPMC 2017b) found that the fast roll-out of the program compromised design. While the review found that, in Queensland, the build quality was of a high standard (using mostly better block construction) but more work was needed to improve amenity. The review also found, however, that where local councils were actively involved in construction, houses were better designed to meet the needs of communities, and communities were able to negotiate around build prices and additions.

Although there appears to be a consensus that community involvement in design was beneficial, stakeholders raised some concerns that excessive bureaucracy made community involvement challenging. For example, TSIRC (sub. 12, p. 29) said the process for design and approval processes for the construction of new dwellings are overly bureaucratic, does not comply with industry standards and creates unnecessary delays. They state that this occurs because under the current arrangements BAS is required to review completed design drawings prior to certification, despite there being design guidelines in place. TSIRC suggest that a design contractor should be able to submit certification for their architect confirming that the completed design complies with the New Housing Design Guidelines, in line with industry standards.

There is also a concern that the mix of housing could better match community needs. Hannan (sub. 24, p. 1) proposed that hostel type accommodation might fulfil an important role in reducing overcrowding and household tension. Such accommodation would provide single men (who may be returning from prison) with their own quarters, instead of with families who may be obliged to provide them accommodation. That submission also makes a case for housing specific to young single mothers who have high priority for housing, but are relatively powerless to prevent extended kin from moving in once they obtain a house.

## The social housing system has created a range of perverse incentives

### Social housing creates inefficiencies

As social housing is not owned individually, it can result in a moral hazard problem—this occurs because individuals are not responsible for the costs of repairs and hence have limited incentives to care for housing. This can increase the cost of housing provision by making repairs more frequent and/or reducing the lifespan of housing—the cost of which is borne by public housing authorities (and ultimately tax payers).

In a similar vein, a lack of ‘say’ in the management of one’s housing has been associated with poor tenant wellbeing and taking worse care for housing (Kraatz et al. 2015, p. 36).

While a lack of property rights weakens individuals’ incentives to care for property, intentional damage accounts for a relatively small proportion of housing costs in remote and discrete communities. Studies have shown that intentional resident damage accounts for less than 10 per cent of non-functioning household infrastructure, with the majority maintenance costs arising from poor design, low quality materials, poor cyclical maintenance and high levels of wear and tear from overcrowding (Brackertz and Wilkinson 2017).

### A reliance on social housing erodes social norms

A key complaint about the social housing system in discrete communities is that it works to erode positive social norms, particularly those relating to individual responsibility (for example, see Cape York Institute 2007).

*Housing in Aboriginal communities is central to the problem of passive welfare. (Pearson 2010)*

This erosion of norms occurs because people living in communities rely heavily on social housing and the current system requires little in return, apart from paying a small contribution to the cost of running the system. Rather than taking an active role in the management of housing, Indigenous communities have become passive recipients of externally managed housing.

Habibis et al. 2013 examined interactions between the state, Indigenous citizens and Indigenous governance structures. This research found:

*These accounts provide a consistent narrative that when the state attempts to position Indigenous people according to its own norms and expectations it leaves a legacy of distrust and cynicism. Undifferentiated expectations about what constitutes ‘good citizenship’ and insufficient attention to the capacity of populations to meet such expectations risk generating apathy and resistance amongst target populations resulting in ‘lose-lose’ policy outcomes. (Habibis et al. 2013, p. 4)*

Schuele and Ellerman (2017) go further and argue that imposing inappropriate housing solutions on Indigenous people creates an environment of apathy and lack of care, which in turn encourages the growth of a range of social problems. They cite examples from the Americas, and highlight how community-led planning in Mapoon resulted in better outcomes than in Aurukun where planning was led by government, with little community involvement.

### Tenancy rules seem to create disincentives to work

As noted in Cape York Institute’s (2005) assessment of the economic viability of Cape York communities, a high degree of mobility is likely to be required if the residents of discrete communities are to take up employment opportunities.

Tenancy rules, combined with housing shortages and a lack of a private rental market (see Chapter 12) mean that community members have few incentives to leave communities for work since they may face losing housing they have waited years to attain. As noted by the Torres Strait Island Regional Council:

*There are families not on the waiting list who hold professional and trade qualifications and cannot return to the Torres Strait due to lack of housing. Similarly, there are highly skilled people living in the Torres Strait who are ready to leave due to overcrowding. Our housing situation therefore also acts as a barrier to building capacity in the region by preventing highly skilled Torres Strait Islanders returning home, and forcing people to leave due to overcrowding. Lack of housing hinders mobility into and out of the Torres Strait and so also impacts on the development and retention of skills and experience in the region. (TSIRC sub. 12, attachment 3, p. 16)*

The low rents on offer in social housing can also leave people worse off if they move to take up work. As noted in the Forrest review, this problem is exacerbated in remote communities where moving not only means leaving kin, it also is most likely to entail taking up a low-skilled and low paying job, leaving families financially worse off after rents are accounted for (Forrest 2014).

## The system can discourage people from seeking treatment and cause social disharmony

Grant et al. 2017 noted that, despite a high prevalence of disability in remote Indigenous populations, housing often lacked relevant amenities for disabled tenants, who were often unaware of or did not understand processes for enabling even basic modifications. The authors found that these issues meant residents often had to leave their community, at great personal cost.

The current tenancy management arrangements for social housing may exacerbate things:

*Those accessing rehabilitation are expected to transfer their Centrelink funds through to pay for their stay. This can mean that a potential rehab client cannot retain their community based housing which they may have had to wait months or even years to secure. (Hannan sub. 24, p. 2)*

*There are also Islanders who have been bought down from the Torres Strait for health care that the Torres Strait does not have living in self containing holiday units, some for over five years, ... Most are on disability income or pension. Some still pay rent to property on their own communities fearing losing them. This then chock housing availability in remote communities. (Pau Enterprises sub. 19, p. 4)*

Some stakeholders raised concerns that the shortage of housing was resulting in perverse behaviours in order to secure a home:

*DFV [Domestic and family violence] is also an item of currency that is manipulated to secure immediate housing in other settlements to accommodate personal gratification—fuelling anger and rejection of those in need of accommodation who will have to extend their waiting period whilst in limbo of homelessness and overcrowding. (NWQICSS sub. 23, p. 8)*

Others considered that social housing eligibility rules create problems:

*Single men are unlikely to be granted social housing as families are the priority. This means single men permeate the housing occupied by families. Single men are often those that disrupt houses through their alcohol consumption. This is why children are scared at night and tired at school. (Hannan sub. 24, p. 1)*

## Incentives may crowd out private sector activity

There is evidence that Indigenous councils have large financial incentives, created by fiscal sustainability issues, that encourage them to undertake construction works on behalf of DHPW. For example, TSIRC (sub. 12, attachment p. 4) shows that around 46 per cent of its revenue is sourced from recoverable works, primarily undertaken by the council's in-house Building Services Unit on social housing. This seems to be a growing practice amongst councils:

*Under this program, councils have built capacity and capability over the past 5 years to become Principle Contractors, maximising the amount of government funding that stays within Indigenous communities through the employment of local building crews and through the use of local service providers. In 2017-18 over 70% of houses will be built by Indigenous councils acting as principal contractors, up from 10%, 5 years ago.*

*Lockhart River Aboriginal Shire Council is a good example of this in practice. This financial year they expect to show a profit to council of just under \$1 million from key projects like NPARIH, allowing council to re-invest in programs in response to identified community need or to leverage additional grants. (LGAQ sub. 14, p. 33)*

While councils' ability to undertake building works helps to retain income in remote communities and create local employment opportunities, it is also possible that it also crowds out other private activities and discourages individuals to start up their own businesses. Councils appear to be undertaking this work, at least in part, because they face significant shortfalls in income to meet their basic service delivery requirements:

*We have to operate commercially in order to cross subsidise government funding levels of key services and to self-fund key community and cultural programs. We have year on year shortfalls in funding provided by government for core municipal services. (CEO of Lockhart River, LGAQ sub. 14, p. 33)*

## 13.3 Possible solutions

### Actively involving Aboriginal and Torres Strait Islander people in property and tenancy management

The NPARIH reforms have achieved an increase in housing stock—which has gone some way to address the chronic levels of overcrowding in the discrete communities—and have made progress towards normalising tenancy arrangements. However, this has come at a cost, both in financial terms and in terms of the lost opportunity to develop community capability. Arguably, a better outcome may have been achieved if effort had been put into developing the capacity and capability of communities, rather than simply subsuming tenancy and property management into state control.

Many of the issues relating to the management and construction of housing in remote and discrete communities stem from a system that does not include Indigenous participation. Improving things requires a move away from a centrally managed approach to one that more deeply involves communities:

*Our research adds to the existing evidence base that where housing is delivered by Indigenous people much can be achieved to improve Indigenous housing outcomes. But despite this, and a policy context that encourages Indigenous involvement in housing delivery, little has been done to increase the size of the Indigenous community housing sector. There is an urgent need for governments to support capacity building of Indigenous community organisations so that they can compete in the community housing provider sector. (UTAS sub. 1, p. 2)*

Although the evidence suggests that an important solution is to find ways to move social housing into community control, some care needs to be exercised in how this is done. Change needs to be managed so that capabilities are developed in communities and gains that have been made under the NPARIH reforms are not lost.

Lessons from the past suggest that capacity will need to be established in community organisations prior to the transition of social housing into community control. Most importantly, it must be recognised social housing rents will not cover tenancy and maintenance cost, and that ongoing and appropriate funding will be required. One of the key reasons for the failure of Indigenous controlled housing management under the CHIP was that Indigenous organisations were not properly resourced to manage housing stock, instead relying on ad-hoc funding (PWC 2007).

The recent NPARIH review (DPMC 2017b) recommends that, if community management of social housing is to be considered, a regional approach to build capacity and scale economies is likely to be required. Under the wider reform agenda outlined in Chapter 7, authorising bodies will have an important role to play in this regard.

There is also a need to allow greater flexibility in the way that tenancies are managed. This needs to include Indigenous perspectives on living (Habibis et al. 2013) and might include alternative rent setting systems (Box 13.3).

## Box 13.3 Alternative rent policies

### A levy system

Prior to 2007, many Indigenous councils moved to a levy system in lieu of rents. This is made possible through a provision in the *Local Government Act 2009*, which allows Indigenous Councils to enact a 'poll tax'-like levy on residents.

This was a preferred model for some townships, since it allowed rents to be charged to all residents, rather than having responsibility for rent collection falling to a head tenant. This prevented the creation of perverse incentives, where tenants with good records were penalised by having visitors stay for extended periods.

### A cost-recovery model

A local land council on the Central Coast of New South Wales runs an Affordable Housing Program based on cost recovery. For each dwelling, a base rent is set each year, which covers the cost of rates, insurance and cyclical maintenance.

Costs are reviewed annually and rents adjusted accordingly. If a tenant has taken good care of their home and maintenance costs are lower than expected then rent is lowered. Conversely, if the tenant has been careless and maintenance costs are higher than expected, rents are raised to cover the difference.

### Ensuring eligibility for Commonwealth rental assistance

Most community housing rent policies base rental charges in a way that maximises tenant's access to rent assistance from the Australian Government. This can significantly increase the rental incomes available to manage housing, but is likely to require significant increases over the rents currently charged in most remote and discrete communities.

Source: DPMC 2017b, Limerick et al 2012.

## Removing red tape associated with construction and maintenance

As discussed in this chapter, stakeholder feedback suggests that the arrangements for contracting maintenance and construction works are excessively bureaucratic.

The broader reforms proposed in Chapter 7 will help to resolve many of these issues by bringing contracting of works under community control. For example, if social housing stock moves to community control, there is no reason why the managing body cannot also contract maintenance works and construction directly if this is desired and the capacity exists. As discussed in Chapter 8 (structural reform), these issues should be solved by negotiation between communities and the state.

During the transition to any new arrangements, the state could review the processes through which it contracts work, and take into account the concerns raised by stakeholders.

As a start, the state could remove arbitrary times for completion dates relating to maintenance and construction work. End-of-financial-year completion dates appear to serve no purpose other than to meet agency acquittal needs, and exacerbate delivery pressures in remote settings. Further, slower timeframes allow greater community involvement, helping to build capacity and employment (Box 13.4).

A longer-term focus on funding would help address this issue—providing multi-year funding and delivery cycles (5–10 years) would better facilitate training needs and avoid the creation of boom and bust conditions in remote and discrete Aboriginal and Torres Strait Islander communities.

### Box 13.4 Community engagement—Bynoe Community Advancement Cooperative Society (CACs), Normanton, Qld

Bynoe CACS, an Indigenous organisation, and an external mainstream contractor were each contracted to construct four to five houses in the Normanton region. Each delivered housing that was similar in terms of cost and quality (after 10 years there was no noticeable difference between the houses).

The key difference was that Bynoe used local training and employment, while the external contractor did not. Bynoe took around twice as long to construct the housing, and was able to train workers, resulting in ongoing employment for community members in repairs and maintenance programs.

While Bynoe's pre-existing strong governance structures were key to the success of the construction program, the organisation's internal governance structures were strengthened through the procurement process.

**Table 32 Outcomes from a community-controlled construction project**

Contractor	Number of houses	Start date	Completion date	Unit cost
External contractor	5	21-11-1997	03-08-1998	\$184,140
Bynoe CACS	4	27-02-1998	25-09-1999	\$176,475

Source: Davidson et al. 2011, pp. 44–57.

## Using more caution in relation to social housing procurement

In discrete communities, Indigenous Councils are the preferred provider for much of the maintenance and construction works to support social housing. While preferential procurement policies can be successful in generating local employment and capacity (Pholeros & Phibbs 2012), they can also have unintended consequences.

Under current funding arrangements, Indigenous councils face ongoing revenue shortfalls (discussed more in chapter 14). This places these councils in the position where they need to maximise returns on works to fund basic municipal services. Given their position as monopoly providers, this is likely to keep the costs of maintaining and constructing housing higher than they should be, and may crowd out the ability of individuals to engage in private sector activity (such as starting up a maintenance business).<sup>46</sup>

Solutions are not straightforward—in most communities, local residents have little experience engaging in private sector activity, and many councils play an important role in engaging local residents in economic activity and in engaging their communities in housing decisions.

Nevertheless, a longer term perspective suggests that local councils need to have a transition path that reduces their dependence on construction and maintenance works. Over the long run, this will provide communities with more options for managing housing construction and maintenance and encourage the development of private activity.

## Using innovative approaches so communities and individuals have ‘skin in the game’

To address perverse incentives associated with externally provided social housing, residents of remote and discrete communities need to be actively involved in the management and construction of housing. This will be difficult to achieve while housing in a community is centrally managed by the state.

There are many ways that community and residents can increase their ‘skin in the game’.

Within community-based housing it may be possible to create incentives that mimic some features of home ownership, and that pursue community objectives. For example, an affordable housing program on the NSW Central Coast sets rents annually based on rates, insurance and cyclical maintenance, with the rent adjusting up or down to reflect the impact of tenant care or carelessness (DPMC 2017, p. 51). Similarly, individual or community-level financial incentives can be used to encourage greater individual responsibility for maintenance.<sup>47</sup>

The most complete way to increase ‘skin in the game’ is to grow the levels of home ownership in remote and discrete communities (Hughes et al. 2010). While there is some debate about the extent to which home ownership is a suitable instrument for remote Indigenous communities (SCRGSP 2016a), studies have shown that there are high levels of desire for, and understanding of, home ownership (Memmott et al. 2009; Moran et al. 2002).

Data also provide some support for this view—home ownership rates have increased steadily in the non-discrete communities, where there are few impediments to home ownership, but have not changed in the discrete communities where the impediments to ownership are much higher (Table 33).

---

<sup>46</sup> Conversations with CEOs in some communities suggest that Indigenous councils are making large margins on maintenance and construction works, artificially increasing costs. While this creates income for the community, it puts pressure on housing, resulting in fewer houses being built or maintained.

<sup>47</sup> For example, a program that allows communities or individuals to keep the returns from any savings they generate would provide incentives for more efficient use of maintenance expenditures.

**Table 33 Indigenous home ownership rates in remote and discrete communities**

	Discrete communities %	Other remote communities %
2006	4.0	27.7
2011	3.4	34.0
2016	3.9	37.8

Sources: ABS 2011a; ABS 2016a.

While there has been significant progress in making land available for home ownership in the discrete communities (see Chapter 12), a number of impediments including high construction costs and low incomes of most residents, are likely to make it difficult for traditional home ownership models to operate on a broad scale, particularly where land is held communally or tenure is inalienable.

Despite these constraints, there are several ways in which home ownership could be encouraged in the discrete communities:

- Changing rent policies to encourage well-paid local residents to move into home ownership.
- Exploring alternatives to direct home ownership that provide similar benefits—Crabtree et al. 2012 suggest that community land trusts have been used extensively overseas and may offer opportunities for Indigenous housing.
- Using self-build initiatives—O’Brien (2011) provides examples of where self-build initiatives have been successful and have allowed houses to be constructed at a fraction of the cost of similar state-funded construction. Peter & Ayora (2011) identified significant benefits to proponents from self-build projects (including self-confidence, a sense of pride and ownership), but noted that there was little support available for self-builders in remote locations.
- Using vouchers to encourage user choice—the Empowered Communities Design Report (Empowered Communities 2015) suggests that vouchers can be used to replace existing subsidies provided through Indigenous Business Australia, or can be used to encourage more user choice in the construction of social housing.
- Alternative financing options, where the state provides subsidies for loans instead of directly funding housing, may also offer solutions (see Box 13.5).

## Box 13.5 The Kāinga Whenua Program—enabling home ownership on Māori land

The Kāinga Whenua loan scheme is a joint initiative between Kiwibank and Housing New Zealand (HNZ). The scheme aims to make it easier to borrow and construct dwellings on land with communal ownership. It allows applicants to borrow to build or relocate a home, using only that home as security for the loan.

There is a requirement for the housing to be removable (built on wooden piles, be single-storey of at least 70 square metres, with road access and located on the mainland of the North or South Islands). This allows the house to be repossessed in the event the owner defaults on the loan. This requirement can be waived if alternative security is provided. At least one borrower must live in the house full-time (so the house is not available for rent or use as a holiday home).

Interest rates for the loan are set at market rates. Under the scheme, Kiwibank operates as the exclusive lender and HNZ acts as Guarantor. Normal credit requirements are applied by Kiwibank.

Applicants can loan up to \$200,000. The scheme has been extended to allow Maori Trusts access to the loans and to provide grants for connecting to infrastructure.

The original scheme was launched in February 2010, as an extension of the Welcome Home loan scheme that provided low or no deposit loans for first home buyers.

An initial review of the scheme in 2011 indicated that only one loan had been made. Key issues were that:

- Loans took additional time to complete—up to 30 steps could be required to effect the loan
- securing land owner approvals was problematic when those owners were not represented by a land trust, requiring individual signatures of all the owners
- applicants below the income eligibility thresholds (initially \$85,000 per annum for a two-income household) would have difficulty servicing the loan and satisfying Kiwibank credit criteria.

Following that review, eligibility criteria were relaxed, increasing the income limits to \$120,000 for one borrower and \$160,000 for two borrowers.

A follow-up review in 2014 indicates that an additional ten loans had been agreed.

A further issue raised by the initial review was that if the home owner wished to sell, only Maori able to obtain licences to occupy would be able to purchase the home. The limited secondary market for such houses would place owners seeking to sell at a disadvantage, reducing the price that could be obtained for the house. The prospect of being unable to repay the principle would mean triggering repossession, and HNZ seeking redress for the unpaid amount. The practical effect would be that original owners were effectively locked into owning their house. The review was concerned that applicants should be made aware of the likely financial constraints on future sale.

Sources: Toomey et al. 2017; Controller and Auditor-General 2011, 2014.

Consideration should also be given to offering existing long-term tenants the option of moving to home ownership at low or zero cost. Currently, social housing is available for purchase to residents at prices that, while below the cost of replacement, are likely to be well above market prices.<sup>48</sup>

Given the large and ongoing subsidies being paid by the state to manage existing social housing stock, there is a strong financial and economic basis to transfer housing to existing tenants at low or zero cost should they have the desire and capacity to manage their own housing. The key proviso should be that there has been some assessment of tenant capacity, and that land tenure arrangements have been clearly established prior to transfer.

While there are a range of options that may provide greater opportunities for local residents, the options are unlikely to be successful or cost-effective where they are initiated by the state. Success is more likely to be achieved where communities demonstrate a commitment and desire for change, and are heavily involved in developing solutions (Box 13.6).

### Box 13.6 Lessons learned from Katter leases

In 1985, the Queensland Government enabled Indigenous community residents to enter into home ownership leases under the *Aborigines and Torres Strait Islanders (Land Holding) Act 1985*—known colloquially as 'Katter' leases. Under the Act, leases were created and existing houses on these properties sold to the leaseholders.

The Katter leases are now widely acknowledged as being problematic. Many leaseholders were left with houses in poor condition and were subsequently abandoned. Many of the leases were approved under the Act, but were never finalised, leaving the tenure of the land in limbo. In many cases, the original applicant has since deceased, and tenure resolution has yet to be resolved.

The following key lessons have been learned from the experience with Katter leases:

- it was a government initiative pushed by external stakeholders rather than the community itself
- councils were only recently established and had little capacity to negotiate.
- houses were already old and at the end of their life cycle
- people did not understand that maintenance was their responsibility
- land tenure was not dealt with from the outset and remains largely unresolved today (although the Queensland Government has commenced a program of resolution, and has committed to resolving all outstanding leases within the next 5 years).

Sources: Moran et al. 2002; Queensland Government 2016.

<sup>48</sup> It is difficult to establish market values in the discrete communities because markets are so shallow. However, given the inalienable nature of land, the remoteness of most communities, the high costs of maintenance and the low incomes of those eligible to purchase housing, it is likely that market rates would be very low.

## 13.4 Homelessness

It is difficult to determine the extent of homelessness in the remote and discrete communities covered by this inquiry. Not only are there limited data on homelessness, but the definition of homelessness is not clear, as many Indigenous people dwelling in public places may not consider themselves homeless and may not require physical accommodation services (AIHW 2011a).

Nevertheless, the data show that while homelessness rates are significantly higher amongst Indigenous populations than non-Indigenous populations (AIHW 2011a), homelessness is significantly less prevalent in remote regions than in regional and urban areas (ABS 2016a). Although homelessness is lower in remote areas, there appears to be strong links between lack of services in remote regions and homelessness experienced in regional centres:

*... this results in persons from Cape communities being forced to relocate either temporarily or permanently to Cairns because of a lack of sustainable lifestyle and services in their community ... when services have failed to provide robust return to country programs, community members have become dislocated and substandard living arrangements have been adopted including rough sleeping and overcrowding. (Cairns Regional Council sub. 3, p. 1)*

Solutions to homelessness may need to include education and assistance to Aboriginal and Torres Strait Islanders migrating to urban areas—either temporarily for health or justice purposes, or permanently for economic or family reasons:

*Pau Enterprises do not want to only provide a housing solution to the Torres Strait Islander migration but a migration program to educate Islander migrants how to live in an urban setting, the services available, the opportunities, how their skills can be valuable to the Cairns community, be involve in the Cairns communities, understanding finance, budgeting, investment and social and civic responsibilities. (Pau Enterprises sub. 19, p. 4)*

### Box 13.7 What works—Return to Country Program

An increase in the number of Indigenous homeless people in Cairns prompted the Queensland Police Force to commence a pilot return to country program. The program was designed to assist homeless people who were voluntarily seeking to return to their home communities in Cape York, but could not afford to do so.

The Central Queensland University undertook a study to assess the running costs of the program and evaluate its net economic benefit.

The 'return to country' model, was first trialled in Alice Springs. It facilitates transport and health checks and coordinates subsidised airfares to participants' home communities. The Cairns return to country model also made sure there was adequate housing when a participant returned to their home community.

The total cost of the program was estimated at \$135,831, or \$970 per participant. By assisting 140 individuals, the program potentially saved \$2.7 million worth of health and justice services.

The program shows that relatively simple, low-cost programs can generate significant savings and facilitate psychological wellbeing and social cohesion for Aboriginal and Torres Strait Islander people and their communities.

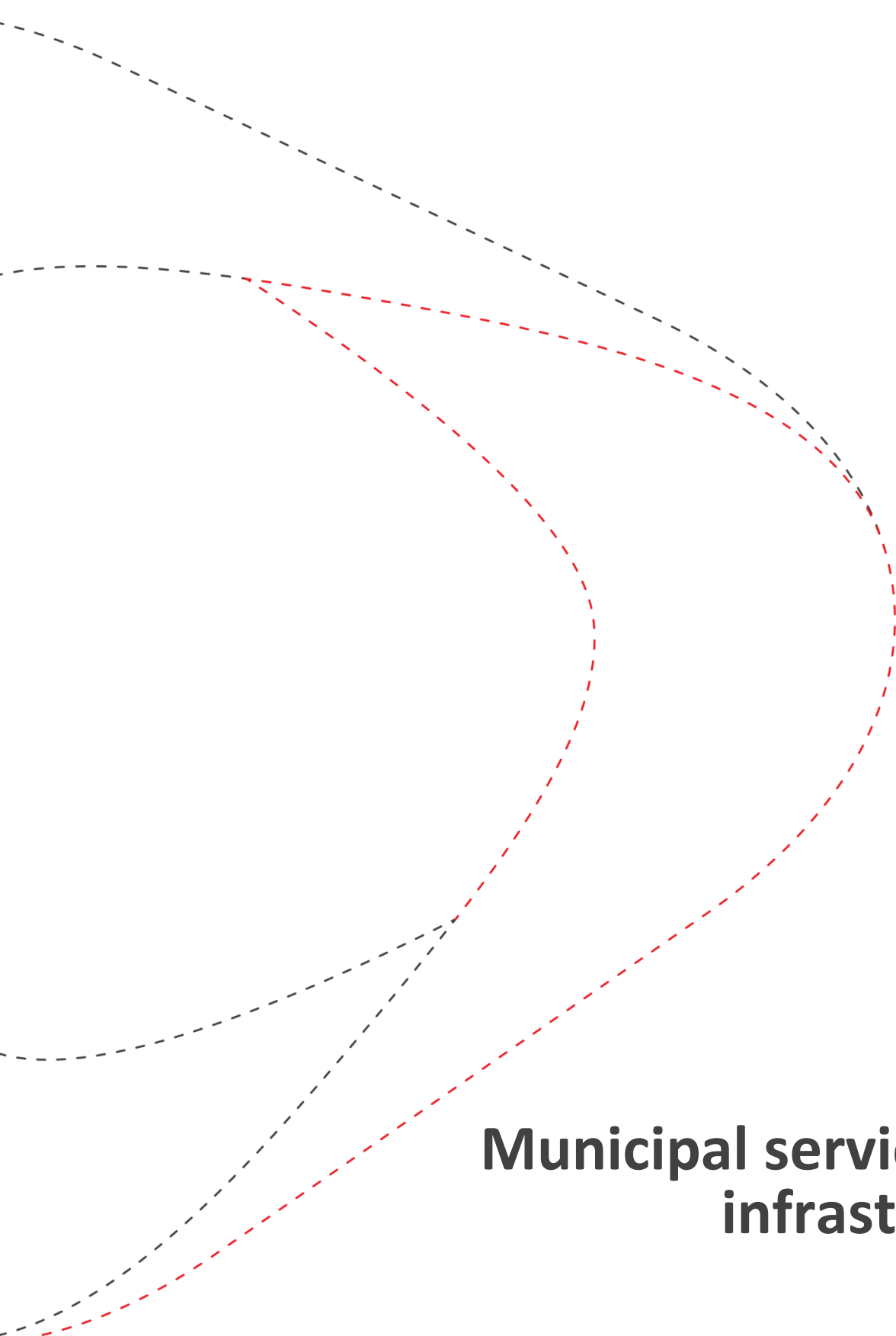
Source: Kinchin et al. 2016.

---

## Recommendation 16

To provide better support for housing, the Queensland Government should:

- transition property and tenancy management to community control
  - ensure that, where housing management is moved into community control, sufficient capacity is established, including funding for maintenance and tenancy management
  - identify and remove unnecessary red tape from construction and maintenance practices
  - revise construction and maintenance procurement policies so that they do not impede the development of private providers in the communities
  - explore providing support for home ownership by offering social housing stock to long-term tenants at low or zero cost
  - examine ways to increase financing for home ownership, including home ownership models that support communal land ownership.
  - work with the Australian Government to finalise an agreement on funding for social housing before 30 June 2018.
-



# 14.0 Municipal services and infrastructure

*Councils in remote and discrete Aboriginal and Torres Strait Islander communities provide a range of essential services including roads, water, waste removal and sewerage services. These essential services underpin healthy communities.*

*This chapter discusses some key challenges in delivering these services. Many issues, particularly those relating to funding, apply to local government more broadly, and therefore may require broader consideration than the scope of this inquiry.*

## Key points

- Councils are responsible for municipal service delivery, including roads, water, sewerage and waste removal.
- Services are dependent on complex and long-lived infrastructure that requires ongoing maintenance and renewal.
- Effective municipal services—water, sewerage and waste management—are essential for maintaining health outcomes.
- Councils in remote and discrete communities struggle to sustainably finance service delivery.
  - This is largely because communities have few taxable resources and per capita infrastructure costs are high.
  - Attracting and retaining staff is difficult and construction costs are higher than in the rest of the state.
- Councils supplement revenues by undertaking commercial activities—these capture rents for the community and provide employment, but may hinder the growth of private activity.
- Revenue shortfalls are made up through grants, which reduces flexibility, makes planning difficult and may introduce inefficiencies.
- Infrastructure funding does not adequately consider life cycle costs:
  - This is not unique to remote and discrete Aboriginal and Torres Strait Islander communities, but it has disproportionate impacts on these communities.
  - Current funding arrangements do not incentivise life cycle planning.
- Solutions are not straight forward and may require broader system reform that is beyond the scope of this inquiry. However, some potential solutions are:
  - better consideration for whole-of-life infrastructure costs
  - the development of a grants and subsidies framework that provides greater long-term funding certainty
  - identifying impediments to training of local people to better manage assets
  - improving coordination of capital works to achieve cost savings
  - greater involvement of local expertise in decision-making regarding asset planning.

## 14.1 Current status

### Councils are responsible for delivering municipal services

The delivery of municipal services including water, sewerage, waste disposal and roads are the responsibility of local governments. These services necessitate that councils manage complex long-lived assets, most of which they own and control (QAO 2016).

For most councils, providing municipal services and managing the associated capital assets are their predominant activities. However, councils servicing remote and discrete Indigenous communities perform a wider range of services. These may include:

- housing
- early childhood services
- employment programs
- economic development (while all councils do this to some extent, the lack of private economic activity in remote communities often makes the council a primary source of employment)
- other social services, where there are no providers.

It is now widely recognised that Indigenous councils<sup>49</sup> have, historically, been burdened with too wide an array of services, without sufficient assistance to build the capacity to deliver (Australian Government 2014). This has undermined the capacity of Indigenous councils, particularly when family and kin attachments are a part of the equation:

*An Aboriginal council is one of the most challenging governance environments. Leaders and staff are faced with profound levels of community disadvantage, a bewildering and disempowering bureaucratic framework, and at times, suffocating personal pressure arising from family and kinship obligations. (Limerick 2009)*

The capacities of Indigenous councils have grown significantly. Although declining government grant funding in recent years has put stress on Indigenous councils (QAO 2016, p. 48), the overall governance capacity of councils appears to be improving. For example, audit results for Indigenous councils are strong. In 2015–16, over 90 per cent of councils received unqualified audit results, up from less than 50 per cent in 2004–05 (data provided in consultations with DILGP).

### Effective municipal service delivery is linked to health outcomes

Effective municipal services are essential for maintaining health outcomes:

- A clean, adequate and reliable water supply is required for drinking, cooking and washing.
- A functioning sewerage system is required to prevent sewage from contaminating water and food supplies.
- An adequate waste disposal system is required to prevent the spread of disease.

The 2016 Overcoming Disadvantage report highlights the impact that poor environmental health can have on health outcomes—it found that the death rate for Aboriginal and Torres Strait Islander people from diseases associated with poor environmental health was 1.8 times the non-Indigenous rate over the period 2003–07 and 1.7 times the non-Indigenous rate in both 2008–12 and 2012–14 (SCRGSP 2016a).

<sup>49</sup> Indigenous councils are those that operate solely within a discrete Indigenous community.

While there are no comparable data for the remote and discrete Indigenous communities, concerns have been raised that infrastructure in these communities do not meet the standard that would be expected in non-Indigenous communities (DSS 2013, p. 29).

Hall et al. (2017) also note that the use of poorly treated or unpalatable water can result in a preference for sugared drinks, with flow on impacts on health outcomes.

## Remote and discrete councils have insufficient revenue to cover service delivery

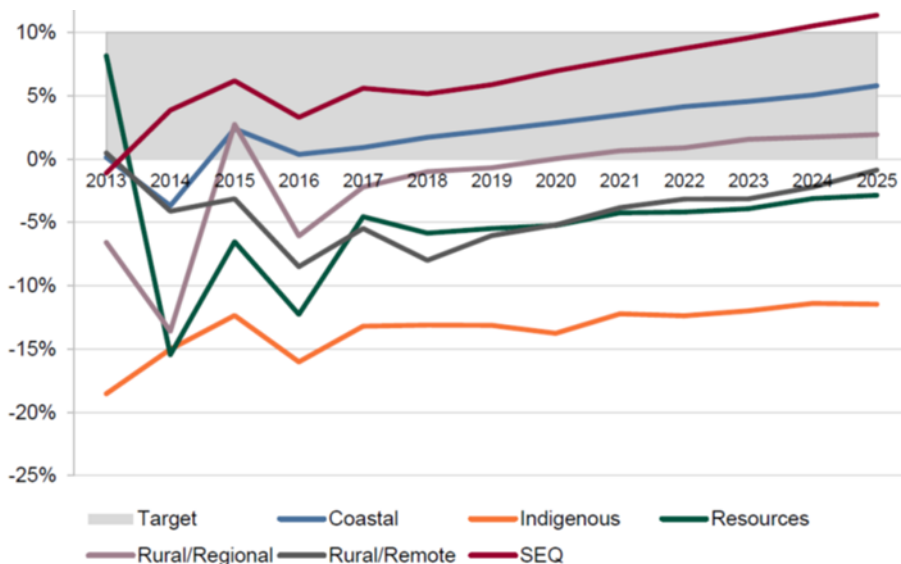
Indigenous and other councils in remote communities control many billions of dollars of assets—the Torres Strait Island Regional Council, alone, has over \$1.1 billion of assets on its books, including around \$500 million of social housing (TSIRC sub. 12, attachment 1, p. 6).

For councils to sustain existing service levels, these assets need to be maintained and then replaced at the end of their useful lives. There are concerns about the ability of local governments to generate sufficient revenues to recover capital, maintenance and operating costs over the life cycle for their assets. This concern is not limited to Indigenous councils—a recent review conducted by LGAQ found:

*There is a long history of poor financial sustainability outcomes in Local Government. In recent times, no less than thirteen State and national based inquiries into Local Government financial sustainability have been undertaken, with the general conclusions being that the Local Government sector is financially stressed, with anywhere from one third to 50% of Local Governments deemed to be unsustainable, weak or distressed. (LGAQ 2013, p. iii)*

The Queensland Audit Office found that 39 of the 77 Queensland Councils forecast operating deficits for 2015-16, with 24 of these forecasting deficits for the next 10 years (QAO 2016). Figure 66 provides forecast operating positions for all councils—while many councils are showing deficits, Indigenous councils have, and are forecast to show, significantly larger deficits than other council types.

**Figure 66 Operating surplus by council segment**



Note: The shaded area reflects QAO's target area for operating surpluses.

Source: QAO 2016.

Maintaining the sustainability of council operations in remote communities where tax bases and economic opportunities are low is challenging:

*Approximately 37 State and Federal Government agencies are housed on Thursday Island and, under the rating scheme, are not required to pay council rates, placing a burden on council for the delivery of core services. Torres Shire Council is classed as a non-Indigenous council and does not receive the same level of subsidies as other Indigenous Councils – a shortfall of around \$2.5–\$3 million per annum. Council credits that these two factors alone have the potential to lead to the council being placed into administration within the next four years. (LGAQ sub. 14, p. 18)*

A recent review of the water, wastewater and solid waste assets of 16 Indigenous Councils found there were issues arising from a lack of regular and appropriate operations and maintenance practices, reducing the anticipated lifespan of assets and creating potential health issues (Queensland Government sub. 27, p. 14). In response to the review, the 2017–18 Queensland Budget provided for \$120 million over four years for discrete Indigenous councils to provide critical infrastructure.

The Commission notes that no additional funding is provided to non-Indigenous councils in remote areas. As identified in submissions, these councils often subsidise services to discrete Indigenous communities:

*Burke provides treated drinking water to Bidunggu [community] and has never received payment of water rates or water use – i.e. Burke Shire Council is unofficially providing subsidised drinking water to this community...[DATSIP] lists neither Burketown nor Bidunggu as a discrete ATSI community. (Burke Shire Council sub. DR18, p. 2)*

*Funding for designated Aboriginal Shire Councils is not made available to non-discrete local governments such as Cloncurry Shire Council, that nevertheless have a predominantly Indigenous population... It essentially means [we are] expected to provide services to Indigenous communities with limited means to derive income to pay. (Cloncurry Shire Council, sub. DR9, p. 7)*

## Capital works programs provide important economic opportunities

For many remote and discrete Aboriginal and Torres Strait Islander communities, capital works programs may provide one of the few opportunities for employment and development of private sector activity.

Harnessing the opportunities presented by capital works programs can be challenging. By their nature, capital works programs are lumpy—expenditures are generally large, infrequent, and may require specialist skills and equipment, meaning it can be difficult to provide work or training opportunities for locals.

Despite these challenges, government (through the Remote Indigenous Land and Infrastructure Program Office) and Indigenous councils have been relatively successful at developing employment opportunities from capital works programs, particularly those relating to housing construction.

Following concerns raised by councils, DATSIP established an infrastructure and coordination group that works with agencies to stage construction works (Queensland Government sub. 27, p. 14). Stakeholders said the staging of construction works has enabled a steadier stream of work in the discrete communities, providing local people with opportunities to take up training and apprenticeship positions.

While this has helped, the LGAQ raised ongoing concerns about the fact that government delivery timeframes can mean that capacity building does not always occur:

*In 2016 there was a shift in focus for the Housing program to embrace Indigenous employment and local business engagement as program outcomes. This change set up a tension between the state government's need to deliver a specific number of houses within a defined period of time and the requirement to maximise the number of locals employed and in training. Indigenous Councils clear preference was to extend contracted timelines slightly in order for local apprentices to complete their trade qualifications. (LGAQ sub. 14, p. 20)*

## 14.2 Key issues and challenges

### Remote communities are heavily reliant on public infrastructure

The remote locations and challenges of delivering service into remote and discrete communities mean that populations are more reliant on public infrastructure than in less remote areas. The community of Doomadgee for example, is reliant on the single road that connects it to the rest of the world (Box 14.1).

Geographically isolated small communities also generally have much higher infrastructure costs per capita than in other parts of the state—the Torres Strait Island Regional Council estimates its infrastructure costs are around 10 times the per capita costs of mainland councils (TSIRC sub. 12, attachment 1, p. 7).

High reliance on public infrastructure, is also exacerbated by a low level of market activity. In many Indigenous communities, councils have large housing portfolios on their books, since there is no private housing market.<sup>50</sup>

#### Box 14.1 Case study—Doomadgee

Doomadgee is a discrete Aboriginal community located approximately 500 km north of Mt Isa in the Gulf of Carpentaria, with a population of around 1,400 people (QGSO 2016a).

Doomadgee is connected to Burketown via the Doomadgee East Road. Various sections of this road are under the control of the Burke and Doomadgee Shire Councils. Neither council has sufficient funds to upgrade the road and they spend significant funds maintaining the road as best they can.

Most wet seasons the road floods, leaving the resident of Doomadgee completely cut off from the rest of the world for several months of the year. The only option to leave or enter the community at these times is by air, which can be prohibitively expensive for residents.



The picture above shows how Doomadgee East Road disappears into a lake at the Gregorv River even during minor flooding—keeping Doomadgee isolated when most other communities are accessible.

Source: Burke Shire Council sub. 25, p. 7.

<sup>50</sup> Although, for those that have entered into 40-year leases with government, maintenance and upgrades are now the responsibility of the Department of Housing and Public Works.

## Infrastructure funding does not cover or properly consider life cycle costs

Infrastructure assets—such as roads, pipes, or major recreation facilities—require ongoing maintenance to ensure councils maintain their condition and can use them for as long as possible. These costs should be factored into funding decisions.

The QAO (2016) notes that this rarely occurs. In an audit of several councils it found:

- Most councils did not adequately plan for whole of life costs.
- More than half cannot afford to maintain assets in a satisfactory condition.
- Few councils had up-to-date or accurate asset management plans and there was a lack of reliable data on asset condition.
- A large proportion of councils would not be able to renew significant assets prior to the end of their useful lives.

One key factor behind these failures was that funding bodies and councils did not adequately factor in life cycle costs at the time of funding, meaning that councils were often left with assets they could not afford to maintain (see Box 14.2). This can be exacerbated by the inadequacy and fragmentation of financing provided through state and federal infrastructure funding.

*The SFGA funding model needs to consider the actual cost of maintaining and running essential infrastructure. The initial model was incorrect to begin with and as a result has had a continued negative impact on the preventative maintenance of essential infrastructure. (Yarrabah Shire Council, sub. DR14 p. 19)*

Issues arising from a lack of consideration of whole-of-life costs and from funding fragmentation are not unique to Indigenous councils, nor to councils especially (Productivity Commission 2014), but have a greater impact in remote and discrete communities because of their high reliance on public infrastructure and low revenue bases.

### Box 14.2 Case study—implications of building assets without consideration for whole of life costs

The Queensland Audit Office Forecasting Long-term Sustainability report provides a hypothetical example that describes how a council enters into an arrangement to renew an old swimming pool. No business case was prepared for the pool; thus, no consideration was given to:

- What the operational costs of the new pool would be
- how these costs would be funded.

As a result, the council exposes itself to a high level of risk. This is similar to stories the Commission heard from stakeholders.

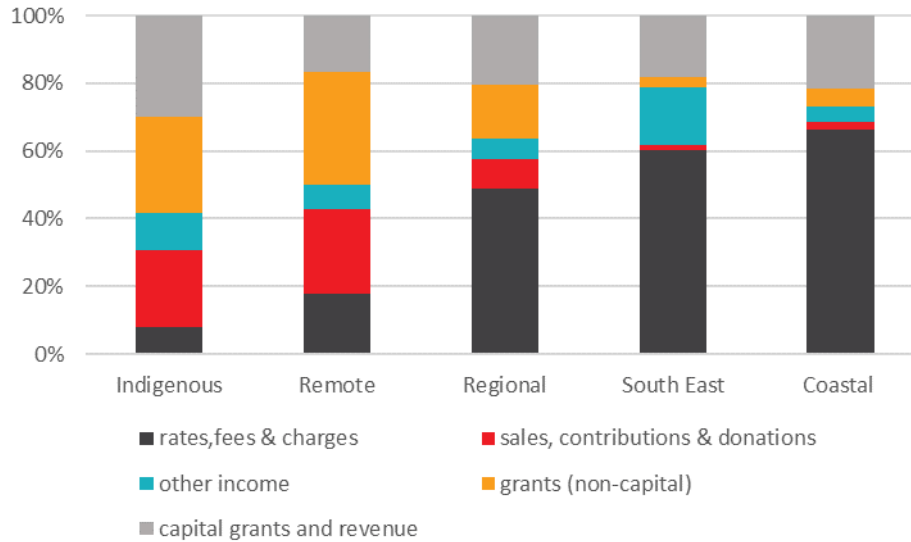
For example, the Aurukun Aboriginal Shire Council determined last year that it could no longer afford to operate and maintain the local pool and was looking to repurpose it, so that it is not an ongoing drain on council resources. Given that swimming pools have been linked with significant health and social benefits, the inability of the council to meet the operational costs of running the pool is likely to have ramifications for the community.

Sources: QAO 2016; LGAQ sub. 14, p. 37; Hannan sub. 24, p. 1.

## Indigenous and remote councils have low tax revenue bases

Unlike their counterparts in the rest of the state, Indigenous and remote councils generate little revenue from rates and other charges (Figure 67).

**Figure 67 Indigenous and remote region councils are reliant on grants and sales income**



Source: QAO 2016.

For Indigenous councils, the lack of tax revenue arises because their communities are largely comprised of unrateable communal title land, or is occupied by either social housing, non-profit enterprises or government agencies which makes the land unrateable. This inability to raise revenue (from general council rates) is compounded by the fact that weak local economies limit the development of other tax bases.

Indigenous councils currently levy lease fees on social housing stock which is roughly equivalent to rates revenue (Limerick et al 2012), although this revenue source may have to be revisited if Deed of Grant in Trust (DOGIT) land is transferred to Indigenous freehold, as required under the *Aboriginal Land Act 1991* and the *Torres Strait Island Land Act 1991* (see Chapter 12).

While Indigenous councils have the unique ability to levy a poll tax on residents under the *Local Government Act 2009* (section 100), this may be difficult to implement in practice and has only been used in the past as a tool for replacing rent collections (Limerick et al 2012).

Remote councils face similar challenges—although they have a rates base, they have small populations with lower than average incomes, and high infrastructure costs per capita.

Low tax bases mean that Indigenous and remote councils rely on other forms of revenue—predominantly grants and sales income.

## Box 14.3 Grants to remote and discrete councils

Councils in remote and discrete parts of the state rely on a range of grant funding to maintain their operations. These include:

- Financial Assistance Grants (FAGs)—provided by the Australian Government and consisting of two components:
  - a general purpose component, which is distributed between the states and territories according to population
  - an identified road component, which is distributed to the states and territories according to fixed historical shares.
- Indigenous Local Government Sustainability Fund—provides funding to assist Indigenous councils to increase their capacity, capability and sustainability. The program has a budget allocation of just over \$8 million over the period 2016–18, and is to be distributed equally between the 16 Indigenous councils.
- Indigenous Economic Development Grant—a Queensland Government initiative to help alleviate the impact of Community Development Employment Project (CDEP) reforms. Indigenous councils were allocated between \$80,000 and \$160,000 in 2016–17.
- State Government Financial Aid (SGFA) program—ongoing financial contributions made to Indigenous councils in lieu of rates. Just over \$30 million was allocated to the 16 councils in 2016–17. The SFGA was frozen in 2012–13, but indexation was restored in the 2017-18 State Budget.
- Revenue replacement program—part of the Queensland Government's harm reduction strategy, provided to councils which divested or surrendered profitable general liquor licenses. Just over \$3 million was allocated in 2016–17.
- Works for Queensland program—a \$400 million program over 2016–19 to support local government outside of South East Queensland to undertake job-creating maintenance and minor infrastructure projects.
- Indigenous Water Infrastructure program—\$120 million provided over four years to provide fit-for-place, fit-for-purpose water infrastructure for Indigenous councils.

Councils can and do seek funding from a range of other ad hoc or ongoing grant programs.

## Relying on grant funding reduces flexibility and control, and makes planning difficult

With reliance on external funding comes greater dependence on that funding, and that invariably means less control, flexibility and independence (Moran et al. 2014).

The low levels of revenue under their control restrict councils' flexibility to influence their financial performance by varying revenues, and impedes their ability to plan strategically for the long-term. Relying on external funding restricts councils' ability to renew their asset base when needed and affects their service delivery (QAO 2016, p. 48).

*Funding arrangements play an important role in determining the effectiveness and efficiency of service delivery. Varying degrees of funding continuity, flexibility, and fragmentation influence the ability to plan and deliver services efficiently. It can build, or undermine, local capacity and governance, in turn helping or hindering the mechanisms for effective service delivery. (LGAQ sub. 14, p. 24)*

Dependence on external grants means that Indigenous councils are highly vulnerable to changes in government policy and program funding levels, highlighting the importance of a stable grant funding regime, which has not been achieved in recent years (LGAQ sub. 14, p. 27, Box 14.4 and Box 14.5).

### Box 14.4 Uncertainty in council funding

When grants are cut unexpectedly, frozen, or not indexed, councils' ability to deliver services to their communities suffer. In recent years, sources of uncertainty in council funding have included:

- Loss of CDEP funding, which was partially replaced by Indigenous Economic Development Grants.
- Loss of Municipal and Essential Services (MUNs) funding from the Australian Government when full responsibility for delivering municipal services was transitioned to state governments.
- Cessation of indexation of SFGA grants from 2012 to 2013—LGAQ estimates this has left Indigenous councils worse off by around \$20 million per annum.
- Cessation of indexation of FAGs from 2013 to 2014—LGAQ estimates this resulted in an effective \$6.3 million cut to Indigenous councils. The May 2017 Federal Budget announced that the freeze would end in 2017–18.

The LGAQ estimates that these cuts to funding have resulted in a 21 per cent cut to staffing levels across Indigenous councils.

Source: LGAQ sub. 14, pp. 24-32.

## Box 14.5 Impact of funding cuts on Cherbourg Aboriginal Shire Council

State Government Financial Aid (SGFA) funding makes up around 14 per cent of Cherbourg Aboriginal Shire Council revenues. In 2012–13, the base line SGFA funding for Cherbourg was \$1.695 million. In all the years since, SGFA funding has been lower than this, due to government policy and funding changes.

In the same year (2013–14), the Cherbourg Aboriginal Shire Council lost its CDEP and MUNs funding due to Australian Government policy changes. These funding cuts equated to a total loss in revenue in the 2013–14 financial year of \$1.512 million, or around 12.5 per cent of their total revenue.

This resulted in a 29 per cent cut in full-time staff and a drop-in service delivery in the areas of parks and gardens, painting, local café, and farm projects. The Cherbourg Aboriginal Shire Council has had to seek alternate revenue streams (\$7 million building program) to cross-subsidise base line service delivery.

Applying the Council Cost Index increases for the past four years shows that the Cherbourg Aboriginal Shire Council, in relation to SGFA funding alone, is \$980,348 worse off in real terms than in 2012–13.

Source: LGAQ sub. 14, p. 29.

## Infrastructure may not meet the needs of Indigenous communities

Stakeholders raised concerns that some infrastructure solutions imposed on remote and discrete Aboriginal and Torres Strait Islander communities have not been suitable:

*Many of the infrastructure solutions have been developed by external consultants or contractors that design industry standard solutions that are not necessarily fit-for-purpose for the community. Key to this challenge is the limited pool of [local] staff available to operate the systems. (LGAQ sub. 14, p. 17)*

Partly, this may be due to how infrastructure projects have been planned and implemented, particularly when there has been insufficient consideration for community capacity or concerns:

*Historically there have been significant issues with how projects submitted under the Major Infrastructure Project (MIP) fund were prioritised and implemented, with insufficient input from TSIRC.*

*These issues resulted in infrastructure which were not fit for place and purpose and has higher ongoing operational and maintenance costs than preferable alternatives. There may be insufficient capacity to manage and maintain infrastructure assets in all communities.*

*We are still not actively involved in prioritising the funding for our own communities. Costings estimated by the consultant engaged by MIP are underestimated, relative to contract costs determined on tenders. This has been a persistent problem with the MIP program and results in insufficient funds to deliver MIP projects. (TSIRC sub. 12, p. 16)*

## Interactions between government and councils could be improved

Like other areas of service delivery, stakeholders have raised concerns about the way that compliance and monitoring occurs and have suggested that it could be more productive:

*TSIRC have failing sewerage infrastructure on a number of its 15 islands due principally to a lack of funding to maintain/renew its \$1.1B asset base. The Department of Environment and Heritage Protection (DEHP) Compliance section has issued compliance notices to TSIRC to fix issues in line with legislative requirements. These letters threaten fines and require TSIRC to respond to them.*

*This pattern of writing letters backwards and forwards is counter-productive, consuming staff time and resources which would be better spent sourcing funding and delivering projects to rectify infrastructure issues outside TSIRC's control ...*

*Staff within DEHP Compliance seem to lack understanding regarding how long it takes to source funding and deliver projects to rectify issues, expecting faster resolution of issues than what is physically possible given TSIRC's small engineering team, remote environment, and a lack of funding.*

*A solution would be for DEHP to assist with sourcing funding to rectify issues with infrastructure and provide on the ground training to upskill sewer operators. Nothing will be resolved without funding to take the necessary remedial actions, therefore this is the first step. (TSIRC sub. 12, p. 31)*

## Council revenue raising may crowd out private activity

To meet revenue shortfalls, Indigenous councils undertake commercial activity, particularly housing construction and maintenance—sales revenue now contributes over 20 per cent of all revenue for Indigenous communities (QAO 2016).

For some Indigenous councils, revenue from commercial activity has become the largest source of revenues. For example, recoverable works (construction) make up 46 per cent of total revenue for the Torres Strait Regional Council (TSIRC sub. 12, attachment 12, p. 4). A similar example is provided by the LGAQ:

*We have to operate commercially in order to cross subsidise government funding levels of key services and to self-fund key community and cultural programs. We have year on year shortfalls in funding provided by government for core municipal services. (CEO of Lockhart River, LGAQ sub. 14, p. 33)*

As discussed in Chapter 12, stakeholders have raised concerns that these commercial operations are effectively monopolies that crowd out private sector activity.

## There are no short-term fixes

The state government is currently considering a general rating scheme for Indigenous councils, however, this is not expected to significantly change the fiscal position of councils:

*Indigenous councils that have already undertaken a land identification process, the first step to progress a general rating scheme, highlight a significantly restricted number of rateable properties. For example, Lockhart River Aboriginal Shire Council area has eight (8) rateable properties and Woorabinda Aboriginal Shire Council area has only one (1) rateable property ... The cost of administering a general rating scheme, combined with the limited number of rateable properties and the fee associated with the Valuer-General, will far outweigh the income generated through rates. Indigenous council reliance on government funding (SGFA and FAGs) will continue for at least 10 years into the foreseeable future ... (LGAQ sub. 14, p. 34)*

Further, if, as required by legislation, DOGIT land is transferred to Aboriginal Freehold, consideration will need to be given to how current lease fee arrangements for social housing can be replaced (see Chapter 12). One option would be to replace lease fees with general rates; however, this may require legislative change, since social housing and non-commercial land is currently rate-exempt, and there is little other rateable land in the discrete communities (Table 34).

**Table 34 Rateable land in discrete communities**

Land type	Rateable	Rationale
Social housing on 40-year leases to State	No	Specific exemption for public housing
99-year leases to individual for home ownership	Yes	Privately occupied residential land
30-year lease to individual for commercial operation	Yes	Privately occupied commercial land
Council house tenanted by community resident or employee	No	Council-occupied or -managed land is exempt
Exclusive lease from council to not for profit organisation providing community services	No	Not residential or commercial, therefore exempt
Land granted in freehold to individual by trustee	Yes	Freehold land

Source: DILGP, 2015.

## Difficulties attracting qualified staff exacerbate sustainability

The operation and maintenance of infrastructure required to deliver municipal services may require specialist staff. It can be difficult and expensive to attract and retain these staff to remote locations (LGAQ 2013). Consequently, most remote councils have back offices in Cairns, where they are able to more easily employ specialist skills, and interface with other agencies and councils.

Stakeholders have raised concerns that the lack of qualified staff is also compromising the ability of remote and discrete Aboriginal and Torres Strait Islander communities to maintain facilities:

*Despite the improvement in waste water services, there has been evidence of poor maintenance of wastewater treatment facilities. (University of Queensland sub. 28, attachment 1, p. 15)*

Stakeholders also noted that changes to standards present problems for remote communities, since they may not have the capacity to respond as quickly as other communities:

*The transition towards higher standards, without appropriate financial and training support poses a challenge for Indigenous councils. The inclusion of Indigenous councils in forums where management decisions about water and sewerage services are made is important to ensure they are adequately supported to provide a sustainable water and sewerage service to their communities. (LGAQ sub. 14, p. 18)*

## 14.3 Potential solutions

The issues presented in this chapter are not unique to Aboriginal and Torres Strait communities. Many apply to all councils, regardless of whether they are in remote parts of the state or have a high proportion of Indigenous residents.

Many of the issues also touch on broader issues of governance, and could apply to any assessment of public infrastructure funding.

Nevertheless, the consequences of poor infrastructure investments in remote and discrete Aboriginal and Torres Strait Islander communities have the potential to have disproportionate effects on service delivery and outcomes.

The Commission has considered how the issues raised by stakeholders may be addressed, but, given the broad scope of this inquiry and the resources and time available, has been not able to arrive at definitive solutions. Further, some of the issues raised by stakeholders may need to be considered in the broader context of funding for local governments and for public infrastructure—this is outside the scope of this inquiry.

### Infrastructure funding needs to consider whole-of-life costs

A failure to consider whole-of-life costs risks burdening communities with infrastructure they cannot maintain. More mature discussion must take place about the funds governments are prepared to invest in remote and discrete communities and the infrastructure levels this funding can realistically support.

Councils could assist by preparing asset management plans and ensuring that planning better considers life cycle costs. However, unless funding decisions are made with these considerations in mind, there will be little incentive for councils to undertake better asset management planning.

The LGAQ suggests that infrastructure funding should include an annual provision for asset maintenance:

*To ensure the sustainability of service delivery, Indigenous Councils would like to see future grant funding for new infrastructure include an annual provision for ongoing maintenance over the useful life of the asset. If the State government invested more money now in asset maintenance the useful life of assets could be extended, deferring the high cost of asset replacement. (LGAQ sub. 14, p. 37)*

### Incentives created by funding arrangements

As discussed in this chapter, the impact of insufficient funding on the operation of municipal services, with consequential impacts on health outcomes, may put councils in the position where they end up crowding out private sector activities to remain viable.

Stakeholders have asked the Queensland Government to restore indexation to SFGA grants; however, this alone, is unlikely to solve the financial sustainability issues facing Indigenous councils.

Currently, sustainability issues are addressed through ad hoc infrastructure funding, such as the \$120 million Indigenous Councils Infrastructure Program (Qld Government sub. 27, p. 14). This does not help councils plan and may encourage suboptimal investments in remote communities. A better approach may be to develop long-term investment plans based around the needs of these communities.

Under the broader reform proposal, these negotiations could form part of any agreements made between government and Indigenous communities.

It will also be important to consider whether benefits can be created by shifting the funding mix for councils. For example, a move to rates based funding would encourage councils to plan and provide infrastructure for economic development within their communities, as it will contribute to their rating base. How a more general rating scheme would operate, would need special consideration, given that most land in the discrete communities currently non-rateable.

## Improve the viability of remote and discrete Aboriginal and Torres Strait Islander communities

Actions that could be taken to improve the viability of remote and discrete Aboriginal and Torres Strait Islander communities include:

- ensuring greater funding certainty to remote and discrete councils
- developing capacity by identifying impediments to training local residents to manage infrastructure assets
- funding to better assess the condition of existing assets and for the development of effective asset management plans
- ensuring that local knowledge is better utilised when infrastructure assets are planned and constructed
- reducing council costs by better coordinating construction works—Doomadgee Shire Council noted that heavy machinery mobilised into remote communities could be better coordinated to minimise costs (Burke Shire Council sub. 25, p. 2)
- considering the use of other means to raise funds, including the option of using poll taxes or user charges.

These actions are not all the responsibility of the Queensland Government. However, both councils and the government need to negotiate on how to improve the efficiency of infrastructure and municipal service delivery, and agreements need to be developed for how any changes will be implemented.

### Non-Indigenous councils need to be included

Non-Indigenous councils in remote areas face many of the same challenges as the Indigenous councils and many have a high proportion of Indigenous residents. Many of these councils need to be included in discussions since:

- there is a risk that Aboriginal and Torres Strait Islander people in these communities will suffer effects from an unsustainable municipal service delivery model
- these councils may have expertise they can share.

Stakeholders identified that there are opportunities for councils to share expertise and resources. For example, Burke and Doomadgee Aboriginal Shire Councils are currently exploring a range of cooperative approaches:

*Burke is also keen to investigate opportunities to share resources, knowledge and capacity in the area of governance with a particular focus on asset management. Like roadbuilding, sharing knowledge and systems in asset management makes sense and should result in improved capacity, reduced duplication and lower costs. Joint use of assets, and further shared services in other areas, are further opportunities to explore. (Burke Shire Council sub. DR18, p. 4)*

Cairns and Yarrabah Aboriginal Shire Councils have entered a formal memorandum of understanding where Cairns provides mentoring for staff in relation of water and wastewater management (CRSC sub. DR20).

Councils should be encouraged to develop other cost sharing opportunities where they are available. For example, sharing back office services in Cairns might provide a means to reduce costs.

---

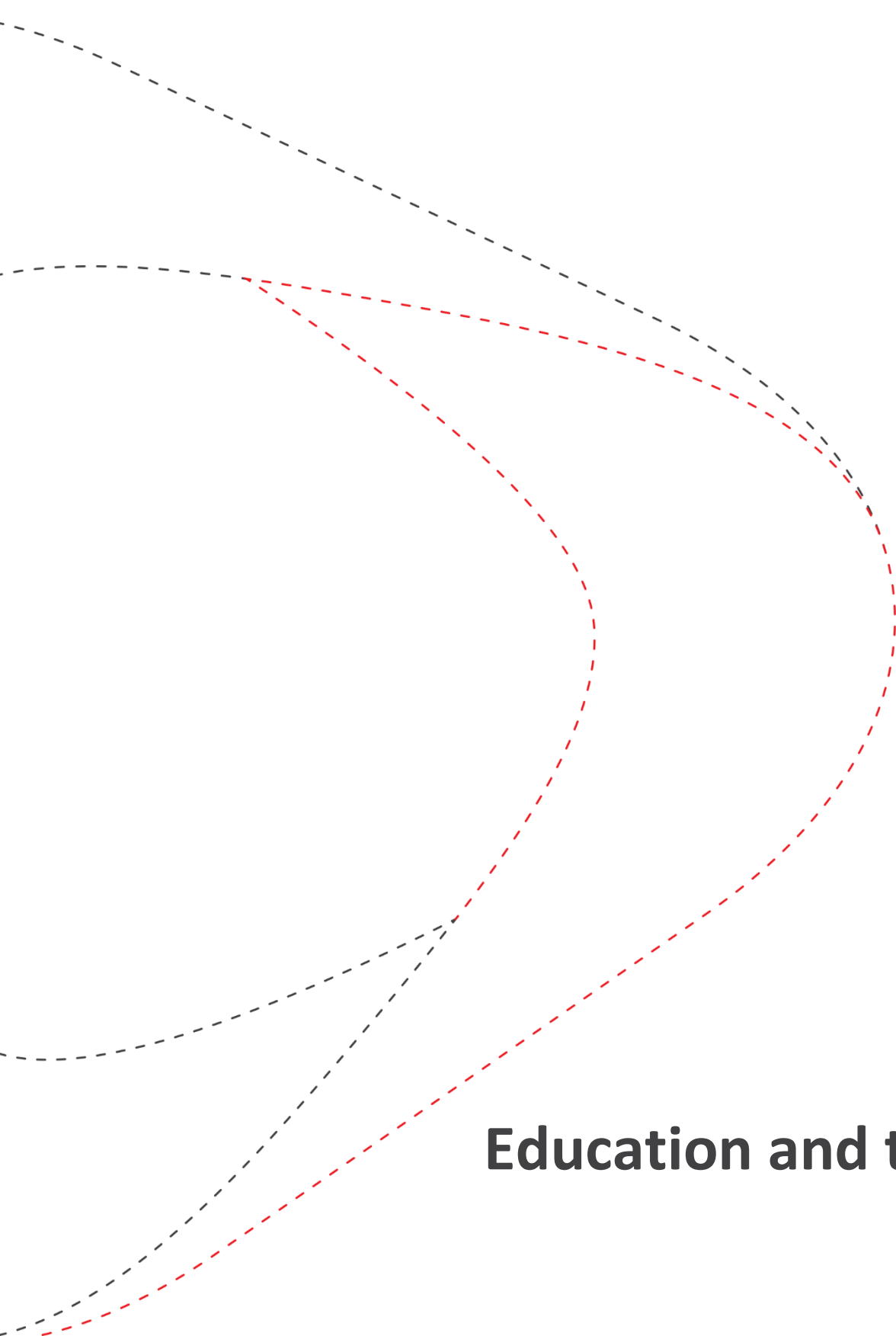
## Recommendation 17

The Queensland Government should revise existing arrangements to ensure that:

- infrastructure funding allows for whole-of-life costs
- asset management plans are developed for all significant assets and funded appropriately
- funding arrangements allow for the coordination of capital works to facilitate equipment sharing and avoid 'boom and bust' cycles of economic activity
- greater long-term funding certainty is provided for infrastructure funding and maintenance
- there is greater support for local management and planning of municipal infrastructure, including support for training and mentoring
- local knowledge and expertise are used during infrastructure planning and construction
- legislation and policy enables an efficient rates base in the discrete Indigenous communities.

The Queensland Government should also enable councils to share resources and explore options to develop shared capability and services.

---



# 15.0 Education and training

*This chapter provides an overview of education and training in communities, and examines key service delivery issues influencing students' opportunities to learn. The Commission has not undertaken a full review of education and training; rather, the findings reflect a focus on significant issues impacting the communities.*

## Key points

Challenges and opportunities for education in communities include:

- High levels of developmental vulnerability among young children, uncoordinated early childhood and family support services and gaps that make access difficult.
- NAPLAN results and Year 12 attainment are lower for Indigenous students in remote areas.
- Higher levels of special needs and psychosocial distress among children in the communities make learning difficult and are precursors for a wide range of adverse outcomes.
- Strengths of Indigenous children include a close connection to their identity, land, language and culture; listening, recounting and memorization skills; experience in learning and using more than one language and/or dialect; independence and a strong sense of caring for younger ones; and resilience, with hope and dreams for the future.
- School-based issues relate to inadequate and inappropriate schooling processes, unpreparedness for teaching a cross-cultural, bilingual situation; a reliance on deficit explanations of low academic achievement; and a lack of Indigenous parental/community involvement in the schooling process.
- Broader issues such as poor housing and health care, inter-generational unemployment, and parents with low literacy affect families' capacity to support their children's schooling.
- Many students must relocate to attend secondary school—they face cultural barriers, homesickness, and a lack of access to Indigenous teachers and support people. Education that works for all students is needed, including alternative models for re-engaging remote-living secondary students.
- Indigenous young people are less likely to have the skills to participate in the workforce. Barriers to access, attendance and achievement need to be addressed to overcome non-completion of secondary school and/or not transitioning through to higher education, training or employment.
- The employment rate of Indigenous people increases with their level of education. Those completing tertiary education have employment outcomes on par with non-Indigenous people.

What is working:

- Indigenous approaches to early childhood, school and training services.
- Training that is industry-led, addresses impediments to training, and delivers culturally appropriate, jobs-focused training that aligns with employer objectives.

The reforms proposed by this inquiry can provide an enabling environment for stakeholders to develop collaborative and flexible solutions to education and training challenges.

## 15.1 Introduction

Education is a crucial pathway to improved health, social and economic outcomes for individuals, their families and communities, and society more broadly (DPMC 2017c). Improved educational outcomes are a key lever for addressing the disadvantage faced by Indigenous Australians.

There is a strong link between education and employment—employment outcomes for Indigenous students that graduated from higher-level education (2016) are on par with non-Indigenous (Shaw et al. 2017). Research has shown that the greatest scope for improvement in educational outcomes for Indigenous students after school comes from improved educational performance during the early and middle levels of school (Mahuteau et al. 2015).

This chapter discusses how well the current education and training system is supporting the educational performance of remote and discrete living students, and proposes a strengths-based approach to improving outcomes. The chapter has two sections.

The first section discusses education, which includes early childhood education and care, and school education. It considers factors influencing students' ability to learn including early childhood development, accessibility and attendance at school, and support for special needs and for the important transitions to boarding school, training and further education.

The second section—training—considers vocational education and training services. Remote living Aboriginal and Torres Strait Islander young people are significantly less likely to have the skills or training to participate in the workforce. This section looks at current initiatives and outcomes, and identifies some strategies that have been shown to work well. A more collaborative approach between government, industry and communities is recommended to improve training and employment opportunities in communities.

## 15.2 Education

Getting a good education, and doing well at school in a broader social sense, is widely acknowledged to underpin a healthy and prosperous future. Benefits to the individual and the wider community flow on to other areas including health and wellbeing, employment and justice (Boughton & Beetson 2017; Silburn et al. 2014).

Literacy and numeracy skills are an essential precursor to success in school, university and employment (Mahuteau et al., 2015). Improving outcomes and beyond-school prospects for students living in remote and discrete communities are influenced by multiple challenges and opportunities (Halsey 2017, p. 10). Aboriginal and Torres Strait Islander children in Queensland are:

*more likely to be disadvantaged, removed from their families, absent from school, experiencing violence, racism and trauma, substance addiction, and to have a disability or mental illness, among other contribution factors. (Amnesty International sub. 13, p. 1)*

Indigeneity does not play a role in exacerbating educational disadvantage in the final years of secondary schooling—Indigenous and non-Indigenous children with the same level of academic achievement at the age of 15 go on to complete Year 12 and higher education at the same rates (Mahuteau et al. 2015). Moreover, Indigenous students are recognised to bring unique strengths to their learning experience, such as:

- knowledge and close connection to their identity, land, language and culture
- listening, recounting and memorisation skills developed through engaging in oral traditions
- social, interpersonal and respectful relationship capabilities, developed through a strong understanding of kinship, family connections and other social contacts
- communication experiences in learning and using more than one language and/or dialect, including code switching skills between home language and Standard Australian English

- high levels of independence at a young age and a strong sense of caring for younger ones
- high levels of resilience, with hopes and dreams for their own future and that of their peers, community and children (DET 2016a, p. 5).

A strength-based approach that re-thinks ways to build on the capabilities of Indigenous students is likely to be more productive than simply concentrating on ‘the problems’ (DET 2016a; Halsey 2017, p. 9).

The following discussion draws on data and literature, stakeholder views and experiences of other jurisdictions. It presents a high-level view of student outcomes, and considers how well the current system addresses factors that influence students’ ability to learn and their options and opportunities when they leave school:

- early childhood development
- attendance at school
- teacher training, quality and retention
- language, culture and the curriculum
- health, wellbeing and special needs
- transitions.

## High-level outcomes

In Queensland in 2016, 93 per cent of Indigenous children were enrolled in a preschool program of 15 hours or more (recommended minimum), though actual attendance was significantly less (Shaw et al. 2017). Remote and very remote preschools cater for 18 per cent of Queensland’s Indigenous pre-schoolers—attendance at these preschools is generally lower than for Indigenous children overall, ranging between 75 and 95 per cent in 2015 (AEDC 2015).

As discussed in Chapter 3, NAPLAN results are lower for Indigenous students, and the difference increases with remoteness. For example, the proportion of Year 3 Indigenous students in remote Queensland in 2016 who achieved above the national minimum standards, compared to non-Indigenous students, were:

- reading: 73 per cent (96 per cent non-Indigenous)
- writing: 80 per cent (98 per cent non-Indigenous)
- numeracy: 76 per cent (97 per cent non-Indigenous).

Results are similar for Years 5 and 9.

The gap in apparent retention rates<sup>51</sup> of 16.6 percentage points in 2016 (between Aboriginal and Torres Strait Islander and non-Indigenous students across Queensland) has improved from 21.4 percentage points in 2012 (QAO 2017, p. 5). Almost all Aboriginal and Torres Strait Islander students who graduated from Year 12 in a state school achieved a Year 12 certificate (QAO 2017, p. 3).

---

<sup>51</sup> Retention rates are ‘apparent’ as they are based on aggregate enrolment data and do not record the progression of individual students. Factors not taken into account by this measure include: students repeating year levels; interstate and overseas migration; transfer of students between education sectors or schools; students who have left school previously, returning to continue their school education (ACARA 2013).

## Early childhood development

Experiences in the early years (age 0–6) affect the structural and functional development of a child’s brain, with long-term consequences (TSIREC sub. 8, p. 17). Community data profiles of the Australian Early Developmental Index (AEDI)—collected in 2009, 2012 and 2015—illustrate a consistent gap between the development of young children in some of the remote and discrete communities and other Australian children. For example, the AEDI profile for the Torres region showed that across all domains young children were up to twice as likely to be identified as developmentally vulnerable or at risk compared with national norms (TSIREC sub. 8, p. 17). AEDI profiles for seven of the remote and discrete communities are shown in Table 35.

**Table 35 Percentage of children developmentally vulnerable in 2015**

Percentage of children developmentally vulnerable in 2015									
	Physical health and wellbeing*	Social competence	Emotional maturity	Language and cognitive skills	Communication skills and general knowledge	Vulnerable on one or more domains	Vulnerable on two or more domains		
Australia	9.7	9.9	8.4	6.5	8.5	22.0	11.2		
Queensland	12.4	12.4	10.1	8.0	10.5	26.1	14.0		
Yarrabah	13.7	5.9	7.8	3.9	11.8	23.5	13.7		
Torres	14.5	25.8	19.5	18.8	11.7	42.6	25.4		
Palm Island	13.2	18.4	10.5	18.4	47.4	63.2	23.7		
Mossman Gorge	15.8	13.2	13.2	23.7	31.6	39.5	26.3		
Hope Vale	60.0	46.7	N/A	33.3	73.3	N/A	66.7		
Doomadgee	86.4	22.7	40.9	50.0	22.7	≥90	59.1		
Mornington Island	17.6	23.5	11.8	17.6	5.9	35.3	29.4		

\* Results for children with chronic special needs are not included in the results. If there are a certain number of questions not answered by teachers, these children do not contribute to the domain analysis.

# AEDC data collection is greater than or equal to 60 per cent and less than 80 per cent of the ABS five-year-old population; interpret with caution. Profiles are not available for all communities due to too few teachers or children to display.

Source: AEDC 2015.

## Early childhood services

Quality early childhood programs improve cognitive, language and social skills development, helping to close gaps in knowledge and ability before they become more difficult and costly to address.

*Investing in early childhood education for disadvantaged children is an important component of a strategy for developing skills that help people thrive and society prosper (Heckman, in DET 2016, p. 10).*

The benefits of quality early childhood education in achieving improved life outcomes—and savings in welfare and justice costs over the long term—were demonstrated in the Perry Preschool Project (Box 15.1).

### Box 15.1 Perry Preschool Project

#### The program

- Preschool was provided each weekday morning in sessions that lasted for 2.5 hours.
- Children were taught by certified public school teachers with at least a bachelor's degree.
- Average child–teacher ratio was 6:1.
- The curriculum emphasized active learning. The children were engaged in decision-making and problem-solving, and planned, carried out and reviewed activities with support from adults.
- Teachers provided a weekly 1.5-hour home visit to each mother and child, designed to involve the mother in the educational process and help implement the preschool curriculum at home.
- Program cost was approximately \$11,300 per child over the school year (2007 dollars).

#### Evidence of effectiveness

The program was evaluated in one randomised controlled trial of 128 children—64 in the intervention group that received the preschool program, and 64 in the control group that did not.

- At age 27, the preschool group had completed on average one year more of schooling, spent 1.3 fewer years in special education services, and achieved a 44 per cent higher high school graduation rate. There were 50 per cent fewer teen pregnancies on average.
- At age 40, the preschool group were 46 per cent less likely to have served time in jail or prison, and had a 33 per cent lower arrest rate for violent crimes. They averaged a 42 per cent higher median monthly income, and were 26 per cent less likely to have received welfare in the past 10 years.

Source: CEBP 2015.

Various early childhood education and family support services, funded by the Queensland and Australian governments, are delivered to communities (Box 15.2).

## Box 15.2 Services delivered to remote and discrete communities

### Children and Family Centres (CFCs) (funded by Queensland Government)

- CFCs provide integrated early childhood, parenting and family support, and child and maternal health services for children aged up to eight years of age and their families.
- Nine remote and discrete locations include Doomadgee, Mornington Island, Mount Isa, Palm Island.
- Integrated services are operated by eight non-government organisations and one Indigenous Council.

### Ready Together: Remote Early Years Transition project (funded by Australian Government)

- The project supports children's transition from home to early years services and then on to school.
- Taking a community-focused approach, the program is run in Doomadgee, Mornington Island, Mount Isa and Palm Island.

### Pre-prep programs

- Early childhood education and care available to children 3 ½ to 4 ½ years of age for 15 hours per week.
- Four are operated by Indigenous councils in Hopevale, Napranum, Woorabinda and Wujal Wujal.
- State schools deliver pre-prep across 30 other remote and discrete communities.
- Cape York Aboriginal Australian Academy delivers pre-prep at the Coen and Hope Vale campuses.
- 'Strait Start' is delivered through Tagai State College.

### Long day care centres

- The Queensland Government funds nine discrete Indigenous communities for delivery of early childhood education through a long day care centre.
- Indigenous councils operate five services: Aurukun, Badu Island, Doomadgee, Hopevale, Napranum.

### Remote Kindy Pilot (commenced in Term 2, 2016)

- The kindergarten program is provided in a composite class with other school children, to 38 remote state schools.
- Options for the future of the pilot scheme will be informed by an impact assessment and feedback.

Sources: Queensland Government sub. 27, pp. 7–8; DET 2017.

Aboriginal and Torres Strait Islander leadership in planning, developing and delivering early childhood education and care (ECEC) services is central to addressing cultural competence and creating a feeling of belonging (DET 2016a, p. 9). The degree of Indigenous involvement in remote and discrete ECEC services varies from programs delivered by non-Indigenous, non-government organisations, through to those delivered by state schools, Indigenous councils, and Indigenous organisations. The Strait Start program is an example of an early childhood education program developed and delivered by community members (Box 15.3).

## Box 15.3 Case study—Strait Start

### The program

- An early childhood education program for children from birth to pre-prep, supporting children’s motor skills development, language and literacy, cognitive development, general knowledge, social and emotional development, independence and self-efficacy.
- Developed in the Torres Strait and is staffed by trained community members.
- Services currently operate in 8 communities for 2 hours, 5 days per week.
- Through a Memorandum of Understanding, Tagai State College funds all wages and operations, while TSIREC funds training and supervision.

### Outcomes

- The number of developmentally vulnerable children in the Torres Strait has fallen from almost 60 per cent in 2009 to 35.8 per cent in 2012 (Australian Early Development Index data).
- The TSIREC reports that school staff, local community leaders, parents and governments have attributed much of this improvement to the Strait Start program.
- The outcomes demonstrate the effectiveness of community capacity building—investing in locally developed programs that are delivered in communities by trained community members.
- Strait Start has also been credited for strengthening community support structures and building families’ confidence in their role as parents.

Source: TSIREC sub. 8, pp. 19–24.

Current Queensland Government strategies to build the capacity and capabilities of the ECEC workforce in remote communities include:

- providing relevant professional development, mentoring and support for Aboriginal and Torres Strait Islander educators
- supporting educators in communities to gain early childhood qualifications through the Indigenous remote support coordination project (DET 2016a, p. 10).

## Issues

In comparison with their non-Indigenous peers, data indicate that families of young children in remote and discrete Aboriginal and Torres Strait Islander communities are less likely to engage with early childhood education and care services (AEDC 2015). The Torres Strait Islanders’ Regional Education Council’s (TSIREC) submission highlighted gaps and uncoordinated service delivery to parents, families and young children across the Torres Strait. Several crisis intervention services and programs are operating in isolation and target only certain communities or parent groups. Box 15.4 provides an overview of early childhood services in the Torres Strait.

## Box 15.4 Early childhood services in the Torres Strait

### Early childhood education services

- Strait Start: the 'birth to 3 years' early childhood education program operates in 8 communities.
- Long day care centres are available on Thursday Island, Horn Island, Badu and Yam Island—enrolment numbers are very limited due to space restrictions.
- No early childhood education services are available in Saibai, Dauan, Mabuyag, St Pauls, Warraber and Ugar.

### Parent education and support services

- State Government Child Protection services operate in the Torres Strait, and offer crisis intervention and re-engagement services; they are based on Thursday Island and offer emergency outreach to other communities.
- Queensland Health runs outreach maternal health and child wellbeing services to all communities. These services are based on Thursday Island.

### Gaps (TSIREC estimates)

- An estimated 25 per cent of children under 4 years have no access to ECE services prior to school.
- Half of the children have no access to scheduled specialist health screening (for example, hearing and vision).
- No proactive services are available to support teenage parents or to provide parenting education.

Source: TSIREC sub. 8, pp. 18–19.

All stakeholders should work to improve early childhood education and family support services through better alignment to priorities identified by the communities—thereby delivering a greater focus on prevention, improved outcomes and better value for money.

## Attendance at school

In Queensland in 2016, the school attendance rates<sup>52</sup> for Indigenous children in year 1 was 86.5 per cent, a gap of 7.1 percentage points below non-Indigenous children (93.6 per cent). Attendance rates of Indigenous children decline in secondary school—by year 10, the attendance rate for Indigenous students was 80.3 per cent compared to 90.5 per cent for non-Indigenous students. Remoteness also impacts on attendance—only 71.7 per cent of Indigenous students in remote areas were attending school by year 10 (67.8 per cent in very remote areas), compared to 82.6 per cent in major cities (ACARA 2016).

Many factors create the preconditions for low school attendance, including family, school and teacher attributes, and underlying community issues such as inadequate housing and health care and inter-generational unemployment (Bourke et al. 2000; Silburn 2014).

School and community factors that influence attendance rates are outlined in Box 15.5.

<sup>52</sup> The school attendance rate is defined as the number of actual full-time equivalent student-days attended by full-time students in Years 1 to 10 as a percentage of the total number of possible student-days attended over the period (ACARA 2013).

## Box 15.5 School and community factors influencing attendance rates

**School-based factors** are significant contributors to the non-attendance, low achievement and non-completion of Indigenous students:

- inadequacies in and inappropriateness of the schooling process itself
- inadequate pre- and in-service training of teachers and their unpreparedness for teaching in a cross-cultural and/or bilingual situation
- poor teacher/student relationships
- teacher attitudes, expectations and a tendency to rely on deficit explanations that link underachievement with the individual rather than the individual's environment (Silverman, 2011)
- low level of Indigenous parental/community involvement in the schooling process.

There are several **community factors** to be considered when tackling attendance rates:

- high ratios of children to adults; younger parents and parents with low levels of school education
- the small percentage of adults in the community who speak English
- geographic remoteness, and overcrowded housing.

Sources: TSIREC sub. 8; Bourke et al. 2000, p. 3; Silburn 2014; Silburn et al. 2014.

## Importance of adult literacy

Families are children's first educators, and continue to influence their learning and development during the school years and beyond (DET 2016a, p. 19). Parents with low literacy levels may struggle to support their children at school, including through reading to children; being able to understand and respond to school notes; taking part in parent-teacher meetings; and advocating for their children when they are having trouble at school. Research shows that children who are least likely to attend school regularly and do well are those who grow up in a household where few adults, if any, have had a good education (Boughton & Beetson 2017). The 'Yes, I Can!' Aboriginal adult literacy campaigns have brought positive change to communities in western New South Wales (Box 15.6).

The success of 'Yes, I Can' demonstrates the benefits of greater community involvement in delivering local initiatives.

## Box 15.6 'Yes, I Can!' Aboriginal adult literacy campaigns

- 'Yes, I Can!' Aboriginal adult literacy campaigns are based on the premise that the most effective way to get more kids reading and writing is to give their parents those same skills.
- Developed in Cuba and since used in 30 countries, 'Yes, I Can!' campaigns have been running in western New South Wales since 2012, in partnership with the University of New England.
- Completion rates are over 65 per cent—five times higher than Indigenous students' completion rates for formal, accredited Foundations Skills courses run through the national VET system.
- A local school principal said:

*More parents are talking to me about school and asking for their kids to be given homework. Our pre-schoolers are using the library more, too. It's been a great thing for the community: it's given the adults who did miss out on their schooling a chance to catch up and have a way to relate to their children.*

- 'Yes, I Can!' is taught in the community, by community members, with a non-formal community education approach.
- A longitudinal study of the impact of 'Yes, I Can!' is underway.

Source: Boughton & Beetson 2017.

## Teacher quality and retention

Quality teachers benefit those students who depend the most on school for positive life outcomes; however, attracting and retaining the best teachers for remote schools is a challenge (Halsey 2017, p. 24; Rice et al. 2017). Teachers working with Indigenous students in remote/very remote schools are likely to be less experienced, more likely to have spent less than five years in their current schools, and report low levels of specialised training in Indigenous education, with less than a third reporting pre-training or in-service training (Luke et al. 2013, p. 6).

Poor cultural competency and an understanding of how communities function were factors raised by stakeholders, who said they:

*desire strong consideration to ensure cultural competency; improve staff broad knowledge around aboriginal community functionality; need to improve working relationship with all tiers of education to support relevant educational structures that provide intense support to local community teachers and staff ... prepare staff about expectations, values, local trends and or essential needs including the effect of the environmental disparity that has strong association with a systemic cycle of mental health problems associated with the Doomadgee Aboriginal community. (NWQICSS sub. 23, p. 6)*

Higher staff turnover impacts negatively on learning outcomes (Halsey 2017, p. 26). The average length of service (teaching) in the remote and discrete communities is 11.6 years, compared to around 15 years in cities and inner regional areas of Australia. Teacher turnover rates are high at 21.6 per cent on average across the communities (2016), compared to 6.5–8.3 per cent in cities and inner regional areas of Australia (DET 2017).

Strategies to attract and retain better prepared teachers are outlined in Box 15.7.

## Box 15.7 Attracting and retaining better prepared teachers

### What works

- increasing the number of Aboriginal and Torres Strait Islander educators, which fosters student engagement and improves educational outcomes
- pre-service teacher experience, such as a practice placement in a remote Indigenous school
- university curricula that explicitly focuses on preparing and supporting teachers for living and working in remote communities, and teaching Aboriginal and Torres Strait Islander students
- tailored courses to prepare teachers—for example, the National Exceptional Teaching in Disadvantaged Schools program selects high-quality teacher trainees, and provides them with targeted coursework and practice placements in disadvantaged schools. Of these trainees, 90 per cent go on to accept a teaching job in a disadvantaged school
- recruiting quality principals—effective teachers value good school leadership and seek to move away from schools where this is lacking. Effective principals are also better at identifying quality staff and assisting teachers’ professional development.

### What does not work

- Prescriptive curricula— ‘teacher-proof’ curricula are likely to drive out those teachers most able to improve student learning.

Source: Halsey 2017, p. 25; Rice et al. 2017.

## Aboriginal and Torres Strait Islander teachers

Aboriginal and Torres Strait Islander teachers and staff members are recognised as supporting a culturally inclusive curriculum. Indigenous teachers’ understanding of culture and preferred learning styles can enrich the school experience for Aboriginal and Torres Strait Islander students and support them to achieve success at school (Buckskin 2016; Crawford and Biddle 2017).

Strategies to attract and retain more Indigenous teachers and support their completion of initial teacher education call for effective engagement and retention strategies by faculties and schools of education (Buckskin 2016). A successful NSW Department of Education campaign is outlined in Box 15.8.

## Box 15.8 Join our Mob

Join our Mob is a NSW Government campaign to attract more Indigenous teachers. It includes:

- a scholarship program supporting 80 Aboriginal and Torres Strait Islander people to train as teachers
- a guarantee of an appointment in a preferred location on graduation
- targeted career attraction campaigns with a highly visible message, found to be most effective
- university career attraction campaigns, social media and other online channels, used to promote teaching as a career of choice.

Source: Johnson et al. 2016.

In Queensland, the remote area teacher education program supports greater access to higher education for Aboriginal and Torres Strait Islander people as well as increasing the number of Indigenous teachers in Queensland schools (Queensland Government sub. 27, p. 26). There are currently 612 Aboriginal and Torres Strait Islander teachers in Queensland state schools, comprising 1.4 per cent of all teachers (DET 2016a, p. 22). Schools in the remote and discrete communities have on average 15.3 per cent Indigenous teachers and 31.6 per cent Indigenous educators in non-teaching positions. While this is positive, the data does not reflect the Indigenous populations of the regions in which teachers are based, and the total number of Indigenous teachers currently employed within Queensland schools is proportionately well below parity with the broader population.

Education employer approaches to attracting and retaining qualified Indigenous peoples into teaching and leadership positions is a key factor contributing to the numbers of Indigenous teachers in schools. A review of Indigenous teacher numbers in Australian schools found that, while many government policies have committed to increasing the number of Aboriginal and Torres Strait Islander teachers, progress remains slow. Greatly increased levels of implementation, monitoring and reporting, and accountability are needed to stimulate change at any appreciable rate (Buckskin, 2016).

## Language, culture and the curriculum

Research suggests that the absence of awareness and respect of culture and language are factors behind the gap and inequality in outcomes (Luke et al. 2013; Shaw et al. 2017). Education that is not inclusive of one's social, cultural and economic values is disempowering, and the disconnect raises questions in students' minds as to the purpose and value of education— 'am I learning so I can leave my community, am I learning so I can stay locally, or am I learning so I have a real choice about what I do?' (Halsey 2017, p. 21).

There are links between recognition and use of first language and cultural knowledge, and student identity, wellbeing and education outcomes (Disbray 2017). Research shows that many concepts are best learned in the language that the learner understands. Mastery in first language supports second language learning, literacy and academic achievement.

*Schools teaching and instructing in English alone ... develops a failure syndrome for many children as they return home at the end of the school day often unable to remember what was taught that day – which causes them to become depressed. (Wild & Anderson 2007, p. 147)*

Testing regimes delivered in the English language create a barrier to some students. Where teachers are not permitted or are unable to translate questions into the child's first language, their true knowledge of a subject like maths cannot be properly assessed (Salleh 2017).

Approaches that promote a culturally responsive school environment are outlined in Box 15.9.

## Box 15.9 Cultural responsiveness

A culturally responsive approach has the following characteristics:

- a dual language approach supported with trained English language teachers and structured English as an Additional Language or Dialect programs
- flexibility for schools to interpret and implement the curriculum in a way that better meets the needs and interests of students, supported by the necessary authority and resources
- learning content that is engaging, accessible and culturally responsive, with a school culture that supports this and builds on high expectations for all students
- efforts to empower, support and engage Aboriginal and Torres Strait Islander students to enhance their own learning capacity, while also building and sustaining teacher capacity
- coherent and localised approaches to evidence-based literacy and numeracy teaching
- a profound understanding of the importance of school-community partnerships.

Sources: Fogarty 2012; Halsey 2017, p. 22.

## Enabling a culturally responsive school environment

School can be an alienating experience for young Aboriginal and Torres Strait Islanders when there are no senior family members around and no teachers speaking familiar languages. Including the presence, languages and authority of parents and elders in schooling can improve attendance rates and the commitment of parents to working collaborative together (Christie 2014).

A more culturally responsive school environment can be enabled by involving Indigenous students, their families and communities in all aspects of developing and driving schooling solutions, particularly at the local community level. An independent review into regional, rural and remote education observed that:

*When a community and its school work together, especially in what seem to be difficult social and demographic context, education happens in many new ways ...*

*... creating opportunities to build school, family and community relationships are very important to improving the core business of a school—teaching and learning. (Halsey 2017, pp. 28, 29)*

The Torres Strait Island Regional Council (sub. 12, p. 34) highlighted the consistent and valued education services provided in their communities:

*[All] have staff and facilities on the ground in each community. All are integrated well into their communities and play a positive role in facilitating other services into communities. All are staffed by people living in the communities.*

### Cultural recognition in schools

The Australian Curriculum sets expectations about what all Australian students should be taught, regardless of where they live or the background from which they come. The Queensland Government is free to deliver the Australian Curriculum in ways that are best suited to the students in local schools, including curriculum development and implementation, course accreditation, student assessment and certification (Halsey 2017, pp. 11, 19).

The Queensland Department of Education and Training (DET) provides guidance on approaches to cultural recognition in schools, and recognises the importance of empowering communities in the Advancing Aboriginal and Torres Strait Islander education and training action plan. However, the take-up and effectiveness of community involvement and cultural recognition in schools is not measured, reducing the ability to monitor progress for the Closing the Gap targets (QAO 2017, pp. 4, 7).

There is scope for communities to drive change in their schools to make programs more accessible. For example, the remote Burketown State School is transitioning the Language Other Than English (LOTE) subject from Japanese to Gangalidda. Burketown State School is 97 per cent Indigenous, with most of the students being Gangalidda people. It is expected the Gangalidda LOTE subject will be a more appropriate component in students' lives—it will be usable and the students who already talk it will get stronger.

*[So introducing Gangalidda] makes me feel that I should be proud of my language because I am a Gangalidda person, and it makes me happy just to be doing it. (Tatham 2017)*

The change to the Gangalidda LOTE subject was driven by students and the community, and will employ local teachers.

### **Independent schools**

The Independent Public Schools (IPS) initiative provides schools with greater autonomy in decision-making and increased capacity to work in new ways to maximise learning outcomes. Independent schools have greater flexibility to tailor the curriculum to directly suit the needs of their students. Taigai State College in the Torres Strait is an IPS seeing improved student outcomes. The Cape York Aboriginal Australian Academy (the Academy) is led by an independent board in a formal agreement with DET (Box 15.10).

## Box 15.10 Independent Aboriginal and Torres Strait Islander schools

### Taigai State College

- The college delivers 'YUMI' Education<sup>53</sup> across 17 discrete communities for clients from birth to adulthood.
- YUMI prioritises the whole child—their academic, social, emotional, cultural and physical needs—by embedding the inherent value of languages, culture and history into teaching and learning.
- In 2015, Tagai State College achieved 100 per cent Queensland Certificate of Education (QCE) and vocational education and training (VET) completion rates, maintained an improved attendance rate of 88 per cent, and improved achievement in reading and numeracy across Years 1 to 9.

The college works in partnership with the TSIREC to:

- promote 8 campuses that provide Strait Start, a Montessori program for early learners aimed at children 0–3 years old
- deliver a traditional language in all pre-school through third grade (P–3) classrooms
- partner with FNQ TAFE to enable students to access university via the VET pathway.

### Cape York Aboriginal Australian Academy (the Academy)—Coen and Hope Vale primary schools

- The Academy incorporates five domains<sup>54</sup> focused on closing the early childhood development gap; Direction Instruction<sup>55</sup> of English literacy and numeracy; extracurricular programs; culture and traditional language instruction; case-managed school readiness, attendance, parental involvement and health.
- Overall student attendance rate is 81 per cent (2016).
- The number of students at grade level in Reading and Numeracy has improved steadily since 2013. Years 3 and 5 results are close to or above statistically similar schools in 7 out of 10 domains (2016).

Sources: CYAAA 2016; ACARA 2017b; TSC 2015.

More individual and community input is needed to develop strategies that address family, school and community preconditions for low school attendance, and underlying barriers to retention and achievement. The structural reforms and agreement-making proposed by this inquiry would support stakeholders to work together to improve schooling services.

<sup>53</sup> YUMI Education is a distinct style of education and training that recognises the role of community in determining the strategic direction of service delivery in the Torres Strait Nation (YUMI Education Inc. 2015).

<sup>54</sup> Educational learning objectives are classified into overarching domains of learning, for example: cognitive (thinking), affective (emotion/feeling), and psychomotor (physical/kinesthetic) domains. The domains of learning are a useful framework for educators as they try to construct optimal learning experiences (Wilson 2017).

<sup>55</sup> Direct instruction is the use of straightforward, explicit teaching techniques, usually to teach a specific skill. Teachers follow a step-by-step, lesson-by-lesson approach to instruction that follows a pre-determined skill acquisition sequence administered to students placed in ability/achievement groups (Luke 2013).

## Health, wellbeing and special needs

Health factors, particularly disability and high levels of psychological distress, have a direct impact on Indigenous students (Nelson et al. 2016; Shaw et al. 2017). Indigenous Australians are 1.7 times more likely to have a disability, of which preventable hearing loss is a major problem. An estimated 79 per cent of Indigenous students tested across urban and remote centres had an educationally significant hearing disability, which affects language development and eventually school attendance. To compare, the World Health Organisation defines a rate higher than 4 per cent of otitis media—the main cause of hearing loss in children—as unacceptable (Shaw et al. 2017).

Socio-economic disadvantage and poor health outcomes in communities are known risk factors for students' learning, development and wellbeing (PC 2016a). These factors play out in a higher concentration of special needs. For example, a 2014–15 assessment of students' cognitive, social and emotional status in three Cape York communities found raised levels of intellectual impairment (Nelson et al. 2016, p. 20). Roughly one quarter of students reportedly met the criteria for diagnosis of intellectual impairment and subsequent Education Queensland verification, in two of the three locations. A further 42 per cent were within the borderline intelligence category<sup>56</sup> (Nelson et al. 2016, p. 20). The results highlight an urgent need for strategies to optimise education and development outcomes for these students.

High levels of trauma, self-harm and suicide in the Cape York and Torres Strait communities place a burden of mental health problems and stress on Indigenous children (TKI 2012). For example, a study of remote Indigenous Cape York students relocating to boarding schools found that 77.5 per cent knew someone who had suicided in the last year. Responses indicated 60 per cent had levels of psychological distress in the high to very high categories (Nelson et al. 2016). These findings indicate the need for trauma-informed education practices to enable students to achieve an education and contribute fully in society (CQUniversity sub. 9, p. 1).

Unmet special needs make learning difficult. A Cape York teacher observed that:

*Some of these kids are too stressed to learn. Heaps of the kids just have total meltdowns, or they might act like zombies sometimes. It's like they are cognitively overloaded just dealing with what's going on at home and in the community. Yet the system doesn't want to know about that. We are just meant to focus on literacy and numeracy, and if you're lucky you might get support for Intellectual Impairment, but we don't even try and grapple with things like Post Traumatic Stress Disorder ... the system doesn't want to hear about it'. (Nelson et al. 2016, p. 16)*

Studies have shown that early conduct problems have far-reaching implications for later development. Conduct problems frequently co-occur with increased risks of attention deficit hyperactivity disorder, early onset alcohol and substance abuse, school suspension and dropout, teen pregnancy and mental disorders. Childhood conduct problems are precursors of a range of adverse outcomes including crime, imprisonment, mental health problems, suicidal behaviours and physical health problems (Advisory Group 2009, pp. 5–6). Prevention, treatment and management of conduct problems improve outcomes for the child and society more broadly.

<sup>56</sup> Borderline intellectual functioning is a categorisation of intelligence wherein a person has below average cognitive ability (generally an IQ of 70–85), but the deficit is not as severe as intellectual impairment (below 70).

## Queensland Government responses to special needs

Queensland Government current and proposed disability supports are outlined in Box 15.11.

### Box 15.11 Special needs support arrangements

**Deadly Ears program:** The Queensland Government provides a multi-sector response to address middle ear disease and associated hearing loss among Aboriginal and Torres Strait Islander children through the Deadly Ears program.

**Current disability support:** DET has conducted extensive assessment and verification work with students in Cape York in recent years. In 2016, the Department engaged LifeStyle Therapies and Training Solutions allied health services to provide comprehensive psychology, occupational therapy, and speech therapy support, tailored to meet the complex needs of these isolated communities.

**Proposed:** A cross-agency working group to identify additional interventions and facilitate coordinated service delivery to support children with complex social and emotional behaviours is proposed in the draft action plan *Advancing Aboriginal and Torres Strait Islander education and training*.

Sources: DET 2016a, p. 20; Queensland Government sub. 27, p. 12.

## Issues

Submissions raised concerns about gaps in identification, assessment and support for children with special needs (Box 15.12).

There is an opportunity to better respond to special needs by establishing and using a person-centred outcomes framework as the basis for needs assessment and service planning (PC 2017a). The service delivery reforms proposed by this inquiry would help to focus information collection, performance evaluation and contract management on a person-centred outcomes framework, providing a greater understanding of user needs and what works.

## Box 15.12 Gaps in identification and response to special needs

### Identification:

*One teacher indicated she was working with a girl who turned 17 recently, whose family had described her as 'simple', and who had attended a state school in the community over a period of seven years, as well as attending a boarding school. Her attendance and achievement history were poor. As it turns out, the student is profoundly deaf but until now was undiagnosed.*

The same teacher commented:

*Identification and verification is quite random, in remote communities it is done using fly-in, fly-out expertise, and if a student is not at school that day or has chronic attendance issues, they don't get seen. (Nelson et al. 2016, p. 15)*

### Assessment and support:

*In Queensland there is no systematic response within Queensland Education to identify and respond to social and emotional disorders such as Post Traumatic Stress Disorder and Conduct Disorder, even in our remote and discrete communities where the indicators make plain that we are well and truly 'on-notice' that these will be high-risk, high-prevalence populations. (CYI sub. 26, p. 8)*

A Cape York teacher observed:

*There are big gaps even if you get an assessment through. The system can't deal with co-morbid<sup>57</sup> conditions. You are forced to choose which one you get support for. It's not like you get 10 hours of support for this issue and 12 for that, you have to choose which. (Nelson et al. 2016 p. 16)*

Sources: CYI sub. 26, p. 8; Nelson et al. 2016, pp. 15–16.

## Transitions

### Transition to secondary and boarding school

Many students from remote communities throughout Queensland must relocate to attend secondary school, due to limited or no options in their community. Of these, around 500 leave their families and communities each year to attend boarding schools.

Being away from family and community presents challenges for Indigenous boarding students. Conflicting feelings between wanting a good future and wanting to maintain their identity are often the reason for Indigenous students dropping out of boarding school. Students experience homesickness, and feel disconnected from family, culture and identity when they return home (Rogers 2017; Rogers & Biddle 2017).

The Queensland Government provides Transition Support Services (TSS) to students and families from some Cape York communities to transition to boarding school. TSS also provides in-school support to these students and a number from communities in the Northern Peninsula Area at boarding schools and residential facilities throughout Queensland. TSS supports student adjustment, orientation, and ongoing stay at boarding schools (CQ University sub. 9, p. 4; NWQICSS sub. 23, p. 18).

<sup>57</sup> Comorbidity is the presence of one or more additional disorders co-occurring with a primary disorder.

In the Torres Strait, at least 500 secondary-school-age students living in remote island communities must relocate to attend secondary school, including boarding schools, on Thursday Island or mainland Australia. TSIREC raised concerns that:

*[d]espite an obvious and persistent need, no government-funded services has been provided to support secondary school-aged students from the Torres Strait, their families or destination schools to ensure the successful transition to and completion of secondary school. (TSIREC sub. 8, p. 9)*

Research<sup>58</sup> has found that attending boarding school works well for some students, but is challenging for others. A high proportion of students who had been disengaged from boarding school had very high levels of psychosocial distress and were particularly vulnerable. The research identified opportunities for improving educational outcomes for remote Indigenous students without suitable secondary school options in their community (Box 15.13).

### Box 15.13 Findings from the Resilience Study

The research conducted by TSS and the CQ University Resilience Study team provided evidence of remote Indigenous student experiences, and recommended the following actions:

- targeted preparation for primary students who are likely to be transitioning to boarding school, from the end of Year 4 / beginning of Year 5, as part of the Education Queensland curriculum
- linking boarding schools and communities to foster better engagement and understanding
- exploring alternative models of education for re-engaging remote Indigenous secondary students, and delivery of models of education that work for all students.

Source: CQ University sub. 9, p. 8.

## Transition to further education, training and employment

The gap in apparent retention rates<sup>59</sup> of 16.6 percentage points in 2016 (across Queensland) has reduced from 21.4 percentage points in 2012, but the number of students leaving school before the end of Year 12 remains high. Queensland Government initiatives to lift attainment rates<sup>60</sup> and facilitate the transition to further education, training and employment are described in Box 15.14.

<sup>58</sup> The 5-year Resilience Study was developed by the Centre for Indigenous Health Equity Research, Central Queensland University, in partnership with TSS in response to identified self-harm and suicide risk for transitioning students.

<sup>59</sup> Apparent retention rates estimate the progression of students through school over several years through several grades/year levels (ACARA 2016).

<sup>60</sup> 'Attainment rate' refers to the percentage of Australian 20 to 24-year-olds who have achieved Year 12 or equivalent or an Australian Qualifications Framework (AQF) Certificate II or above (ACARA 2013).

## Box 15.14 Supporting students in the senior school years

Three programs available to support senior students are:

- The Senior Education and Training (SET) plans are a DET initiative for Year 10 students that map out a plan of action for the student's education and training to support them to complete Year 12, achieve their Queensland Certificate of Education (QCE) and help the student to enrol in the subjects they need to achieve their career goals.
- The Queensland Certificate of Education (QCE) attainment project is a DET initiative that provides individual case management to support students to attain the QCE. This has proven effective in helping those who complete the senior phase of schooling to attain Year 12 certification.
- The Youth Employment Program is a DATSIP initiative that is available in term 3 of Year 12 and supports Indigenous students to successfully move from schools into training or employment pathways. It has found job placements for 2,661 post-Year 12 persons since starting in 2015.

Sources: Clontarf Foundation 2017; DET 2016a, p. 11; QAO 2017, pp. 6–7; QAO 2017, pp. 3–6; QAO 2017, p. 8.

### Issues

A recent Queensland Audit Office (QAO) review of the Queensland Government initiatives found that while attainment rates of those who complete senior years had been lifted, more could be done to support students' engagement and achievement. Key issues were:

- State schools are not regularly reviewing whether all senior students have a SET plan, and in 2016, an estimated one third of Year 12 students did not (QAO 2017, pp. 6–7).
- Information on regional job opportunities for Aboriginal and Torres Strait Islander students is not being provided to schools, parents and students, to assist with the completion of students' SET plans.
- The number of Community Education Counsellors has not kept pace with the increase in Indigenous students in Year 11 and 12, and staff have concerns about the time available to undertake intensive case management (QAO 2017, pp. 3–6).
- Coverage of the Youth Employment Program is limited because it is restricted to engagement with Year 12 students in term 3 only.

The Barambah Local Justice Group raised concerns about gaps in support for high risk teens:

*The students at the Rodeo School are high risk, most vulnerable and most disconnected in the community. They are the ones that are regularly before the courts and in and out of detention due to poor support at home and a dysfunctional upbringing. Although the school is classified as "Private", they are not like regular private schools where rich parents are paying high fees for their child's education. The students do not pay any fees and they often miss out on programs like the Clontarf Program which can only be delivered to public school kids and the kids from the Rodeo School and Silver Lining miss out. There is nothing fair about the way funding is allocated. (Barambah Local Justice Group sub. 2, p. 9)*

There is an opportunity to improve outcomes by targeting support to the key transition phases. Informed by community needs assessment, appropriate responses could better prepare, support and involve students and their families in the transition to boarding school. Delivery models of education that work for all students are needed, including alternative models for re-engaging remote living secondary students.

## Supporting a broader student base

Mentoring and engagement initiatives, such as those delivered by the Clontarf Foundation and the Australian Indigenous Mentoring Experience (AIME) (Box 15.15), are critical to engage students with their education in a meaningful way. They can greatly improve Year 12 completion outcomes and support the transition to further education, training and work (DPMC 2017c). The success of these programs suggests there would be merit in extending their reach in remote and discrete communities.

### Box 15.15 Mentoring and engagement initiatives

#### Clontarf Foundation

The Clontarf Foundation is a not-for-profit organisation that supports Indigenous male students to improve their discipline, life skills and self-esteem, and remain engaged in school, through participation in sport. The Clontarf approach is premised on the belief that failure to experience achievement when young, coupled with a position of under-privilege can lead to alienation, anger and more serious consequences.

The program is delivered through a network of football academies established in partnership with local schools. Students are supported with mentoring and counselling on a range of behavioural and lifestyle issues by a locally based Clontarf staff member, while the school caters for their educational needs.

The Clontarf Foundation is funded by the Australian and state governments and the private sector.

#### Australian Indigenous Mentoring Experience (AIME)

The AIME program aims to address the high proportion of Aboriginal and/or Torres Strait Islander high school students not completing secondary school and/or not transitioning through to university, further study or employment at the same rate as their non-Indigenous peers.

AIME delivers support services related to education and mentoring, school retention and transition into university, further education or employment. More than 50 per cent of AIME staff are Indigenous. Indigenous facilitators deliver the program to the Indigenous high school students from Years 7 to 12.

A case study of AIME in Central Queensland provided evidence it is a valuable, effective program. At the individual level, many AIME participants experienced improved educational outcomes and career prospects. Benefits extended to students' families and communities, and have the potential to support long-term change in outcomes for Indigenous young people (Fredericks et al. 2017).

An external evaluation of the AIME program found that AIME students performed better than Indigenous students around the country, and reached levels of school performance close to their non-Indigenous peers. The program had a positive impact on resilience, employment and earnings, and generated \$7 in benefits for every \$1 of cost.

AIME started in 2005 and is delivered by an Indigenous Corporation, in urban and regional areas. It is funded from various revenue streams including in-kind; university partners; corporate partnerships; family donations and philanthropic partners; government grants; and individual donations. Partner universities in Queensland include Central Queensland University, University of the Sunshine Coast, Griffith University, Bond University, and Southern Cross University (AIFS 2017).

More individual and community input should be secured through the community planning process to develop effective supports for transitioning and dis-engaged students in the remote and discrete communities.

## 15.3 Training

The relatively low rate of employment among Aboriginal and Torres Strait Islanders contributes to poorer economic and social outcomes (QAO 2017, p. 2). There is a direct relationship between employment and level of education—research has shown that the percentage of the Indigenous population aged 15–64 years in employment increases with increasing levels of education. The difference was reasonably consistent across gender, degree of remoteness and time (Crawford & Biddle 2017).

### High-level outcomes

The Queensland Government submission to this inquiry noted that Aboriginal and Torres Strait Islander young people in communities are significantly less likely to have the skills or training to participate in the workforce, with only one in two in the 20–24 years age group having attained a Year 12 (or equivalent) education. This compares to nearly two-thirds of all Indigenous Queenslanders and more than 4 out of every 5 non-Indigenous Queenslanders in the age cohort attaining Year 12 or equivalent (Queensland Government sub. 27, p. 5).

More Indigenous Australians participate in some form of government-funded Vocational Education and Training (VET). While their qualification levels are lower, there is a broad upward trend—the percentage of Aboriginal and Torres Strait Islander people aged 15–64 years who had a Certificate III or higher-level qualification increased substantially from 15 per cent in 2002 to 34 per cent in 2014–15 (Crawford & Biddle 2017).

Indigenous employment after training was lower, partly due to fewer opportunities in rural and remote areas, where many Indigenous students live (Rothman et al. 2013; Shaw et al. 2017).

Participation of Indigenous students at university almost doubled from 2006 to 2015, though less than half completed their studies. Employment outcomes for Indigenous students that graduated from higher-level education (2016) are on par with non-Indigenous (Shaw et al. 2017).

### Current Queensland Government initiatives

In 2015–16, approximately \$10.4 million was invested by the Queensland Government to support people in discrete communities to access VET and complete formal qualifications, including:

- 1,910 students to gain qualifications through the Certificate 3 Guarantee and Higher Level Skills programs
- 278 apprentices and trainees to complete qualifications while learning skills at work
- training places and pathways to employment for 750 participants in 17 Indigenous councils plus five councils with high Indigenous populations under the Indigenous VET Partnership<sup>61</sup> initiative for the Local Government Association of Queensland (LGAQ).

The Skilling Queenslanders for Work (SQW) program provides training, skills development and paid traineeship opportunities. Since 2015, 10 projects worth \$962,200 have been approved across the discrete communities, involving 199 Aboriginal and Torres Strait Islander people. Indigenous councils have been awarded \$625,000 under the SQW First Start program to employ 50 young people or disadvantaged jobseekers in a 12-month traineeship (Queensland Government sub. 27, p. 14).

### What is working well

Employment rates in remote areas increase with the level of qualification, and are improving over time (Table 36).

<sup>61</sup> Indigenous VET Partnerships is a Queensland Government initiative supporting participation in accredited training and assessment services that will improve training and employment outcomes for Aboriginal and Torres Strait Islanders across the state (DET 2016c).

**Table 36 Employment rate, Indigenous people aged 15–64, Queensland remote areas**

Qualification level	2002 (%)	2014–15 (%)
Diploma or higher	67	81
Certificate III or IV	57	60
Certificate I or II	35	41
No post-school qualification	15	24

Source: Crawford & Biddle 2017.

A VET partnership with the LGAQ (Box 15.16) exemplifies a collaborative approach between trainers and employers (Indigenous councils). The industry-led<sup>62</sup> process has trained 1,200 people and raised VET completion rates to over 95 per cent (from 15 per cent in 2012, before LGAQ administration of the program). The training is tied to employment outcomes, which allows locals to take over job functions previously undertaken by external contractors.

In NSW, the 'Yes, I Can' Aboriginal adult literacy campaigns (Box 15.6) demonstrate what can be achieved with a non-formal community education approach to training.

## Issues and opportunities

The Cape York and Torres Strait regions have relatively larger percentages of the Indigenous population with a Certificate I or II as their highest educational qualification (15–64 years, in 2011), compared to the eastern seaboard and cities. The percentage with Certificate III or IV level qualifications is largest in major cities and tends to decline with increasing remoteness (Crawford & Biddle 2017).

Remoteness can lead to difficulties in accessing training and gaining a trade:

*Despite the region's unquestioning enthusiasm for Montessori early years programs, their establishment has not come without challenges. The remoteness of the communities, for example, is a barrier to staff accessing training ... (Montessori Children's Foundation n.d.)*

*Tradespeople visit for short projects and employment of local persons is not feasible for them. Likewise the weekly TAFE requirements do not suit the situation. (Hannan sub. 24, p. 3)*

To build workforce capacity, initiatives need to build long term local employment and support local workers to gain the necessary skills and higher qualifications. For example, TSIRC supported:

*Shifting to a 'local first' model of grant funding so that organisations based elsewhere (Thursday Island Cairns, Brisbane) do not automatically receive funding to deliver services in our region*

*Working in partnership with TSIRC and local partner organisations to build the skill and knowledge base of local workforce*

*Identifying barriers (legislative, required skills/knowledge/qualifications) to local employment and developing medium-to-long term strategies with TSIRC and local partner organisations to address such barriers. (TSIRC sub. 12, p. 8)*

<sup>62</sup> Indigenous VET partnerships with industry need to show value for money and clear pathways to employment (DET 2016c).

## Box 15.16 Indigenous VET Partnership with LGAQ

The Indigenous VET partnership program was developed to build the workforce capacity and capability of Queensland Indigenous councils. The program is managed by LGAQ and provides supported training places and pathways for Indigenous people to participate in and complete vocational qualifications that lead to employment outcomes.

### The aim of the project is to:

- establish an industry driven, fully contestable training procurement process responsive to the needs of each council
- identify council workforce capacity and capability issues/needs—current and future
- facilitate a collaborative cross government agency approach to addressing workforce requirements
- ensure closer alignment between workforce development initiatives and council objectives
- identify and address any impediments to training
- manage and deliver culturally appropriate, jobs-focused training.

### Councils chose training to ensure that their employees:

- had requisite skills (Environmental Health Workers, Animal Management Workers)
- held current licences / tickets requirements (Plant Operators, Traffic Controllers)
- were formally trained in the technical aspects of their work
- met relevant national certification requirements (water operators)
- had skill levels in line with any legislative requirements (Early Child Care and Aged Care Workers).

As at May 2017, this program was achieving a 99 per cent completion rate. It has lifted qualification levels in communities and improved the workforce capacity of Indigenous councils.

*Source: LGAQ sub. 14, pp. 13–14.*

Closing the gap outcomes can be greatly enhanced with improved educational and employment opportunities in communities. Collaboration of all stakeholders is needed to develop effective responses including:

- a flexible approach to funding and delivery to enable more effective, place-based approaches to vocational and foundation skills training
- TAFE attendance requirements tailored to better suit remote living students
- VET delivery that is aligned with industry need and tied to employment outcomes
- paying attention to cultural appropriateness
- providing practical and mentoring supports to trainees and apprentices.

## 15.4 Conclusion

Outcomes and beyond-school prospects for remote and discrete Aboriginal and Torres Strait Islander students are influenced by multiple challenges and possibilities. While some progress is being made, the needs of communities, families and students could be better met.

There is an opportunity to improve the accessibility and integration of early childhood education and family support services, to support better development outcomes for young children in the communities.

Strategies that focus on school, community and interagency factors influencing attendance rates can increase engagement in learning and therefore school retention over the longer term. Improving levels of adult literacy in communities would enable families to better support school education, with flow-on benefits to health, employment and justice.

Greater engagement of families and communities including elders and past students, to develop and drive schooling solutions, would assist schools to create a supportive atmosphere for Indigenous students. Learning and developmental outcomes of children with special needs and experiencing psychosocial distress would be better supported with trauma-informed education practices and appropriate supports.

More attention needs to be paid to target underlying barriers to access, attendance and achievement in overcoming non-completion of secondary school and/or not transitioning through to higher education, training or employment. Closing the gap of life outcomes can be enhanced with a more collaborative approach between government, industry and communities to improve training and employment opportunities in communities.

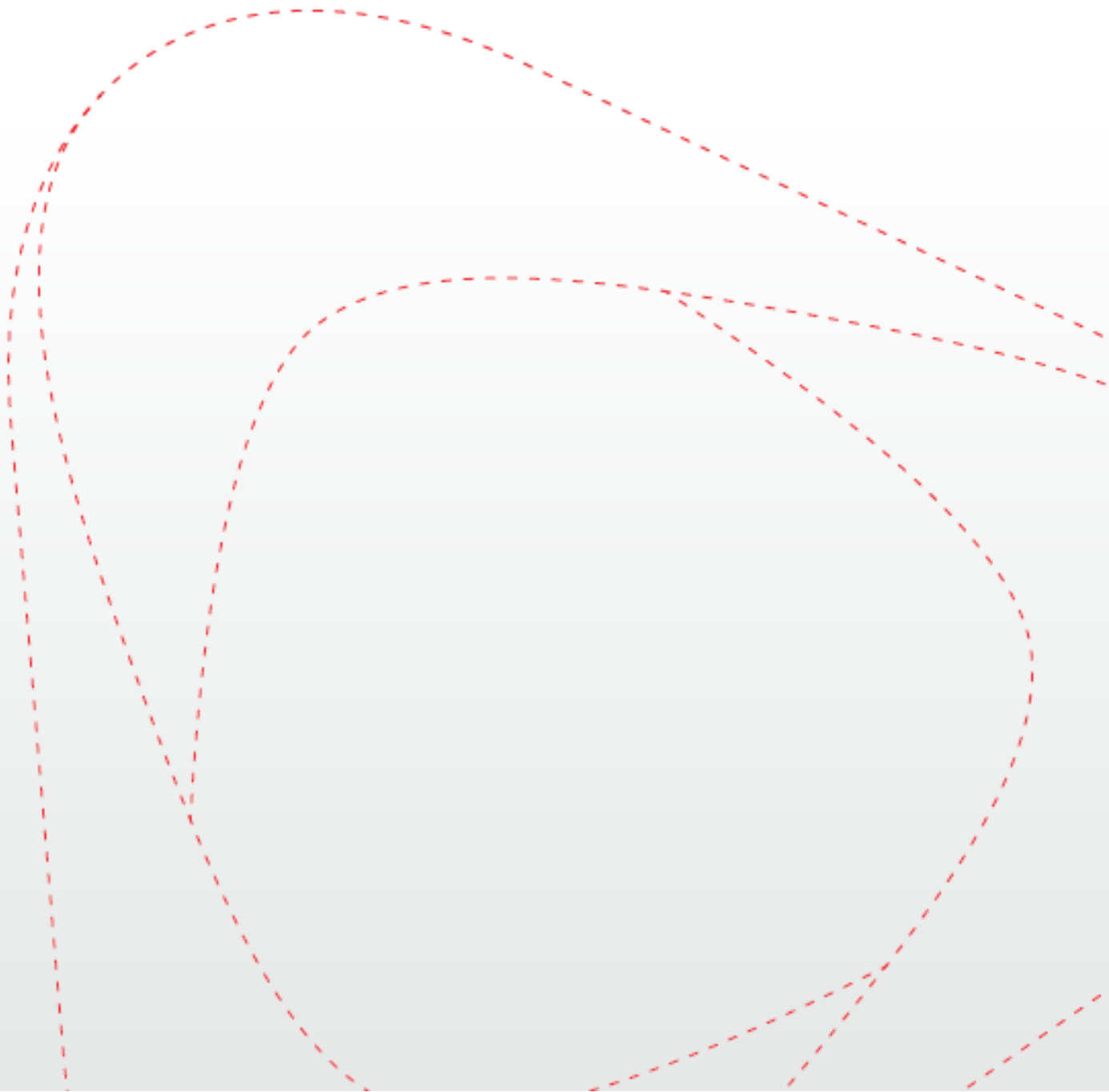
The reforms proposed by this inquiry can provide an enabling environment for stakeholders to develop collaborative and flexible solutions to these challenges.

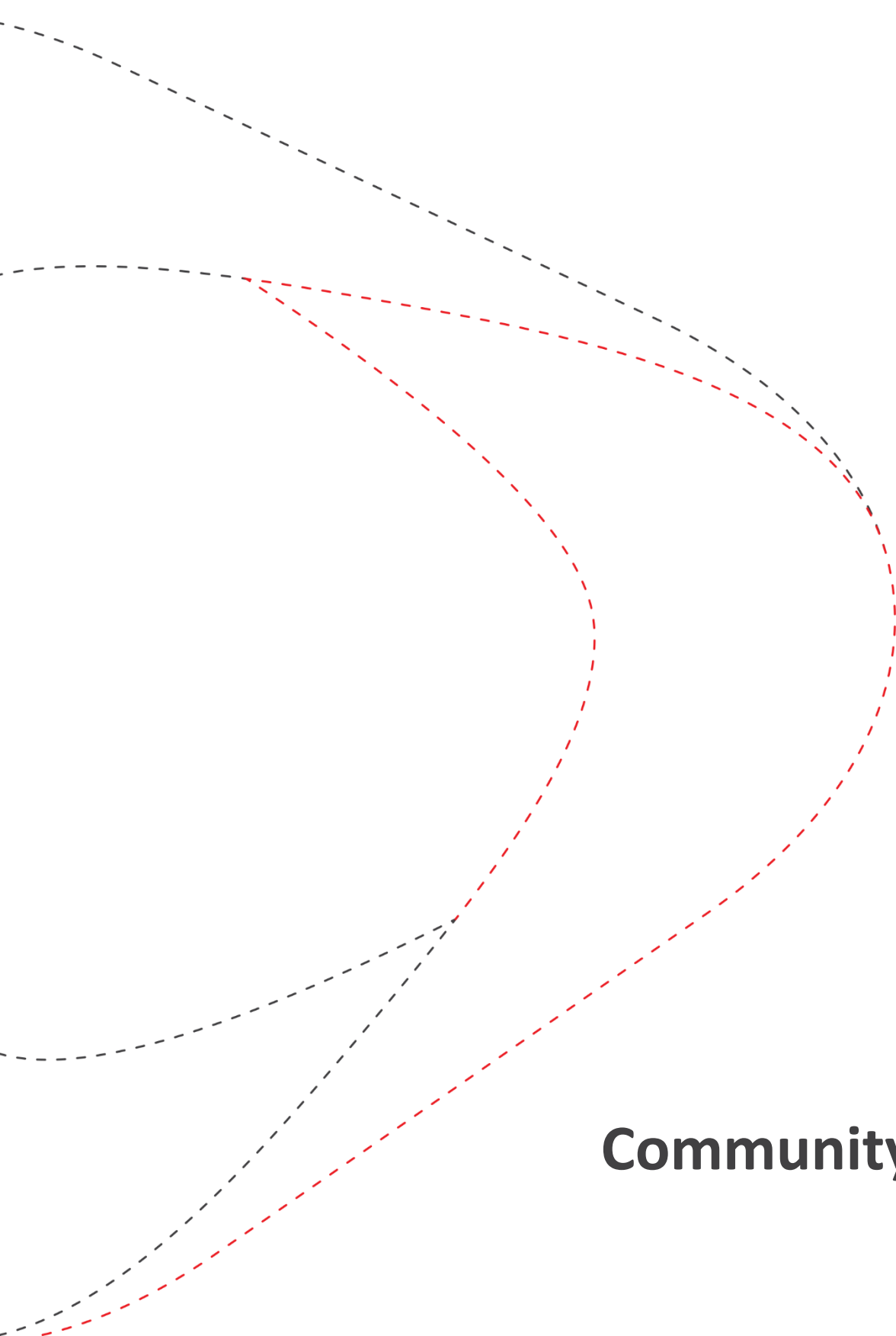
---

## Recommendation 18

All stakeholders should address opportunities to improve education and training services through:

- a greater focus on prevention, including through early childhood development and family supports, and identifying and responding to special needs
  - individual and community input to priorities, design and delivery of services, addressing:
    - family, school and community preconditions for low school attendance
    - underlying barriers to retention and achievement
    - difficulties with transition and re-engagement of secondary students living remotely
    - reform of vocational education and training (VET) funding and delivery to directly align with student and industry needs, and employment opportunities.
-





**16.0**  
**Community safety**

*This chapter provides an overview of community safety issues and identifies options to improve service delivery by changing the focus of those services and increasing community engagement.*

## Key points

- The impacts and costs of violence, abuse and neglect are borne not only by the victims and perpetrators involved, but also the wider community and future generations. Interventions should be judged on their ability to reduce those costs relative to the costs of the intervention.
- Remote and discrete communities differ in the extent and nature of their incidence of violence and child safety breaches and, accordingly, their intensity of service use and need.
- The Commission's estimates indicate that most of the expenditure in community safety (\$447 million per year) is reactive. Over 70 per cent of expenditure could be saved if the use of community safety services in the remote and discrete communities were reduced to levels for the rest of Queensland.
- The ongoing challenge is finding the right balance between prevention strategies and safety responses (such as policing). Analysis of expenditure on community safety and stakeholder feedback suggest that effective prevention remains under-utilised.
- The Queensland Government has responded to several inquiries relating to community safety, and recently to the *Not Now Not Ever*, and the *Taking Responsibility* inquiries, and has sought to tailor these responses to the challenges within Aboriginal and Torres Strait Islander communities.
- While these challenges are well understood by government and service delivery providers, community safety outcomes remain poor and requests for greater say in how services are delivered continue to be voiced by the communities.
- Options to improve the delivery of community safety services involve many of the broader changes outlined in this report. A related theme is that local employment is hampered by job requirements, whether imposed by the funder, the deliverer or regulation. There is an opportunity to better use local expertise if the government could reduce regulatory barriers and providers could adjust their delivery models.
- Specific recommendations are made to reduce the impact of Blue Card requirements on the communities and to complete the review of alcohol management plans.

## 16.1 Introduction

Several recent inquiries have reviewed community safety in Queensland. The *Taking Responsibility* report (otherwise known as the Carmody report) and the *Not Now, Not Ever* report together provide well over a thousand pages of analysis, consultation, and 261 recommendations that have been accepted by the Queensland Government almost in their entirety (Queensland Child Protection Commission of Inquiry 2013; Special Taskforce on Domestic and Family Violence 2015).<sup>63</sup> This chapter focuses on service delivery issues for community safety in remote and discrete Aboriginal and Torres Strait Islander communities (the communities).

The chapter briefly summarises indicators for community safety in the communities and identifies opportunities for improving service delivery. The first opportunity, to shift to a focus on prevention, is well recognised. The second is to provide opportunities for greater local involvement as part of local solutions. The third is to use the review of Alcohol Management Plans to engage communities, government and providers in the outcome those plans were originally designed to achieve—a reduction in alcohol-related violence and neglect.

Community safety is an area where the reform proposals outlined in Part B of this report provide significant opportunities to improve outcomes. This is primarily because of the multifaceted nature of the issues and the role that engagement has in prevention. In addition to the benefits of improved responsiveness and monitoring, the structural reform proposal in Chapter 7 unlocks the greater application of local knowledge to local problems.

## 16.2 The nature of violence, abuse and neglect

The behaviours of violence, abuse and neglect are a response to number of influences. These can be divided into three groups—underlying causes, situational factors, and precipitating events:

- underlying causes include intergenerational trauma (repeated patterns of dispossession and dependence), powerlessness and the breakdown and devaluing of traditional roles and cultural practices
- these underlying causes contribute to situational factors such as unemployment, overcrowding, lack of self-esteem, anger, conflict (with partners, and within the family and the wider community) and mental health issues; these feed self-abusive and other-abusive patterns (violence, sexual abuse, drug and alcohol misuse)
- precipitating events include jealousy, perceived threats or slight, reduced inhibition (alcohol) and peer pressure (Memmott et al. 2001).

These behaviours tend to have consequences that feedback and reinforce situational and underlying causes and reactions to precipitating events. Some characteristics of the processes at work include:

- Generational impacts—behaviour is shaped by long-term development processes. Children who learn that violence works in families, among peers, in the media and in communities have a greater potential to behave violently as adolescents and adults.
- Complex interactions—proclivity to learned violence differs between individuals, and other developmental processes may protect or worsen susceptibility to violent behaviour. Violence arises from complex interactions among the individual's psychosocial development, their neurological and hormonal differences and social processes, making it difficult to identify primary causes and treatments.
- Community and national effects—studies indicate that violent socialisation varies across different contexts, and accounts for a significant proportion of the variation in youth violence. An example of this effect, is the view that violence and incarceration has become a 'rite of passage' for Indigenous youth (Memmott et al. 2001, Olgive and Van Zyl 2001).

---

<sup>63</sup> Six recommendations from the Taking Responsibility inquiry were accepted in principle.

Effective and long-lasting improvements in community safety are likely to require sustained action across several areas, such as housing, education and health, in addition to specific interventions that change behavioural responses to underlying conditions.

## 16.3 The costs of violence, abuse and neglect, and the benefits of interventions

The community safety problem is to minimise the overall impacts of illegal behaviours. Those behaviours violate personal rights and community expectations, inflict damage, reduce freedoms and use up resources. From a policy viewpoint, the costs arising from those behaviours include:

- the costs of injury (hospital costs), the consequential costs in terms of time for treatment, and any disability (temporary or permanent) in terms of reduced productivity (on a job, in the community, for the family or personal activities)
- pain and suffering
- the impacts on personal development and behavioural pathways, educational attainment, through to employment, and the subsequent propensity for further violence or abusive behaviours
- the costs of the justice system, such as police, courts, corrections and the child safety system
- the costs of preventing those behaviours, such as government programs and private security efforts.

The benefit from reduced violence/abuse/neglect is the reduction of these costs. Several studies have attempted to measure these costs.

Access Economics estimated that the total cost of domestic violence in Australia (excluding the costs of prevention measures) was \$8.1 billion in 2002–03, while recognising that some of these costs, such as pain and suffering, are difficult to quantify (Access Economics 2004). The victims and their children bear about 60 per cent of these costs and governments and the broader community about 30 per cent.

PwC (2017) recently estimated the costs of Indigenous incarceration in Australia. These costs are divided into fiscal costs, which include justice system costs, welfare costs and forgone taxation, and economic costs. The latter include costs of crime (to victims across all types of offences), loss of output and the excess burden of taxation (arising from the fiscal costs). Their estimates exclude private and government prevention costs. PwC estimate that the fiscal costs of Indigenous incarceration are just over half of total costs.

The PwC report estimates that Queensland spent \$991 million on Indigenous incarceration in 2016 (both juvenile and adult). Using their average estimate for economic costs suggests that total costs from Indigenous incarceration are \$1.95 billion per year.

In the context of service delivery, governments aim to undertake interventions or services that provide a net benefit—where the reduced cost from affecting behaviours exceed the cost of the intervention.

The net benefit rule for interventions can be applied to the elements of the criminal justice system. A court system that dispenses justice fairly, efficiently and promotes confidence in the rule of law, will reduce the total costs of illegal behaviour. Justice processes that correctly convict the guilty, and let the innocent free, lower total costs. Similarly, prisons that correctly balance the objectives to incarcerate, punish, deter and rehabilitate offenders will lower the overall costs to the community.

## 16.4 Community safety outcomes

This section provides an overview of measures of community safety. Table 37 shows selected measures of adverse behaviours for Indigenous persons in Queensland and, where available, the communities. The measures are standardised as rates per 1000 persons, and the Ratio column indicates how many times greater that incidence is, than the rate for all of Queensland.

Across all indicators, outcomes for Aboriginal and Torres Strait Island persons are significantly worse than for Queensland as a whole, and in many cases more than ten times the average.

**Table 37 Measures of Indigenous community safety**

Community Safety Measure	Rate per 1000 persons	Ratio to Qld average	Sources	Period
<b>Child safety (0–17 years)</b>				
Substantiated harm	21.8	6.6	(a)	2015–16
	28.7	8.7	(b)	2014–15
Care and protection orders	44.8	8.4	(a)	2015–16
	11.9	4.1	(b)	2014–15
Out of home care	40.6	8.5	(a)	2015–16
<b>Violence</b>				
Reported offences against the person	62.6	10.4	(b)	2014–15
Episodes of care for assault-rated conditions	15.1	12.5	(b)	2014–15
Domestic and family violence incidents	189.8	12.2	(c)	2014
Protection orders	56.0	13.0	(c)	2014
<b>Justice system</b>				
Adult imprisonment rate	16.3	10.5	(d)	2016
Daily detention, 10–17-year-olds	3.0	22.4	(e)	2014–15
Daily community based supervision, 10–17-year-olds	18.9	15.6	(e)	2014–15

*Note: The population base used to calculate the rate per 1000 persons will be the matching Indigenous population (at the relevant state, community or child level), and the ratio is against an equivalent Queensland population measure.*

*Sources: (a) State measure (PC 2017b) (b) Community measure (QPC estimates for discrete communities included in DATSIP 2016) (c) Community measure (QPC estimates based on ten LGAs with the greatest incidence of domestic violence incidents and protection orders as reported in DPC 2016) (d) State measure (ABS 2016c) (e) State measure (PC 2017c).*

### Community safety outcomes in the communities

Table 38 provides a summary of available indicators for individual communities and the Queensland comparison rate. The table indicates that communities differ in their rates of incidence. The first two columns provide indicators for violence in the community, based on offences and hospitalisation arising from assault. The last two columns indicate child neglect using measures of substantiated harm (as assessed by DCCSDS), and court protection orders. Generally, communities with more violence tend to have more child safety issues, and this supports a view that common underlying and situational factors fuel those behaviours.

**Table 38 Violence and child safety indicators, 2015–16 (rate per 1,000 persons)**

Community	Offences against the person <sup>a</sup>	Episode of care for assault (2014–15) <sup>a</sup>	Substantiated notification of harm (child) <sup>b</sup>	Finalised child protection orders <sup>b</sup>
<b>Population &gt; 2000</b>				
Palm Island	98.8	20.6	5.7	5.7
Yarrabah	46.2	10.0	20.5	7.5
Northern Peninsula Area	27.6	8.6	5.9	5.9
Torres Strait Region	20.8	1.0	12.5	5.9
<b>Population &lt;2000</b>				
Kowanyama	157.6	31.1	28.2	22.6
Woorabinda	143.9	19.0	*37.5	*16.5
Doomadgee	136.5	12.2	54.2	14.5
Mornington Island	111.8	14.7	49.9	n.p.
Aurukun	127.8	40.4	16.4	n.p.
Cherbourg	89.9	37.2	37.9	22.7
Hope Vale	36.4	31.1	26.9	*50.6
<b>Population &lt; 1000</b>				
Mossman Gorge	112.2	40.4	*172.4	214.3
Pormpuraaw	68.6	17.8	59.4	33.2
Coen	51.9	12.1	n.p.	73.7
Napranum	67.6	32.9	24.2	18.1
Lockhart River	73.0	22.2	*75.3	93.5
Mapoon	27.2	27.3	123.1	87.0
Wujal Wujal	47.3	20.6	n.p.	0.0
Queensland	6.5	1.2	5.0	2.3

Notes: Episodes of care for assault refer to hospitalisations (and other medical treatment) arising from assault – a victim may receive several episodes in relation to an offence. This measure is no longer available from 1 July 2015. \* refers to measures from 2014–15 (usually because a measure for 2015–16 is too small to publish). Column notes: (a) refers to incidence per 1,000 persons, (b) per 1,000 persons aged 0–17 years. Offences against the person are those reported to QPS within the year, and an offence may have multiple offenders and victims. Substantiated notification of harm are confirmed child maltreatment, and represents the number of children rather than substantiation events (of which one child may have several). Finalised protection orders occur when a court imposed order is made to protect a child, typically resulting in removal of the child from the offending caregiver. Substantiated notifications of harm and finalised protection orders relate to different cohorts and are not directly comparable, and significant variation can occur between years in smaller communities.

Source: DATSIP 2016a, 2017a.

## 16.5 Expenditure on community safety

The Commission estimates set out in Chapter 3 indicate that government expenditure on community safety in the remote and discrete communities was \$447 million in 2013–14. This comprises \$252 million in public order and safety, \$181 million in community support and welfare, and \$13 million for recreation and culture. Table 39 provides a breakdown of these expenditures.

The largest item within the \$252 million spent on public order and safety is police services (\$132 million), followed by facility-based detention (\$38 million), courts (\$25 million) and community-based services (\$24 million).

The \$181 million estimated for community support and welfare is made up of (child) protection and support services (\$109 million), general family and youth support services (\$32 million) and welfare services for people with a disability (\$19 million).

**Table 39 Community safety expenditure estimates for the discrete and remote communities, 2015–16**

Expenditure	\$ million	Per cent
<b>Public order and safety</b>	<b>252</b>	<b>56</b>
— police services	132	30
— courts	25	6
— facility based detention	38	9
— community based services	24	5
<b>Community support and welfare</b>	<b>181</b>	<b>40</b>
— protection and support services	109	24
— general family and support services	32	7
— disability services	19	4
<b>Recreation and culture</b>	<b>13</b>	<b>3</b>
Total	447	100

*Not all items are reported in the table and will not add to the subtotals.*

*Source: QPC estimates.*

### Much of the expenditure is not tailored to the communities ...

Of the total \$447 million it is estimated that expenditure on mainstream services is \$386 million (86 per cent). Mainstream services are those provided to the communities that are generally available to all Queenslanders, such as police services. The remaining \$61 million (14 per cent) is for Indigenous specific programs. Indigenous specific services are designed for Aboriginal and Torres Strait Islanders and their communities, such as community justice group funding.

### ... and is reactive ...

Reactive services deal primarily with the consequences of adverse behaviours, while prevention services are targeted at reducing the occurrence of those behaviours. Reactive expenditures are estimated at \$328 million and comprises police services, courts, detention facilities and community protection and support services (73 per cent of total expenditure). Some of the excluded expenditure for community-based services (\$24 million) and general family and support services (\$32 million) may also be reactive, particularly when services provide support for victims (a more detailed breakdown was not available to separate these elements).

The emphasis on reactive services in government expenditure is also seen at the statewide level. As part of the response to *Not Now, Not Ever*, the Department of Premier and Cabinet commissioned an audit of domestic violence services to help identify gaps (DPC 2016). The audit estimated \$104.8 million was spent annually on domestic violence services in Queensland (this estimate excluded reactive services provided by police). The audit concluded:

*Most of the services provided are directed at delivering post-crisis responses with only a few service providers focussing on early intervention or prevention services. (DPC 2016, p. 31)*

### ... providing significant potential for savings

The Commission estimates that over 70 per cent (\$327 million) of the total \$447 million expenditure in the communities is due to the additional intensity of service use over the average for Queensland. This estimate is based on the incidence of violence and child safety behaviour and the costs associated with providing those extra services to remote communities. There is significant potential for reducing community safety expenditure by reducing adverse behaviours in the communities. There would also be resulting benefits from reduced victim costs, health expenditure, and improved education and employment outcomes.

The regional breakdown of the domestic violence audit indicates that the Cape York and Torres region had a level of servicing that was 27 times the statewide level (\$202,023 and \$7,405 per 1000 persons respectively: DPC 2016, p. 92). The relative size of these expenditures is consistent with the Commission estimates outlined above.

## 16.6 Recent government responses on community safety

The 2017–18 Budget implements responses to *Not Now, Not Ever* and the *Taking Responsibility* reports, which both recommended additional spending on prevention.

Box 16.1 summarises the government's *Our Way* strategy. The strategy was developed in response to the *Taking Responsibility* report, in conjunction with Family Matters, a national peak body representing Aboriginal and Torres Strait Islander child safety organisations.

## Box 16.1 The *Our Way* strategy

The Queensland Government has created the *Our Way* strategy in response to the *Taking Responsibility Inquiry*. The strategy includes the following elements:

*Our vision is that all Aboriginal and Torres Strait Islander children and young people in Queensland grow up safe and cared for in family, community and culture.*

*Our target is to close the gap in life outcomes for Aboriginal and Torres Strait Islander children and families and eliminate the disproportionate representation of Aboriginal and Torres Strait Islander children in the child protection system by 2037 for Aboriginal and Torres Strait Islander children to thrive.*

*The outcome we want to achieve is that Aboriginal and Torres Strait Islander children experience parity across the following (wellbeing domains): safety, health, culture and connections, mental health and wellbeing, home and environment, learning and skills, empowerment, and economic wellbeing.*

The building blocks are:

- all families enjoy access to quality, culturally safe universal and targeted services necessary to thrive
- aboriginal and Torres Strait Islander peoples and organisations participate in and have control over decisions that affect their children
- law, policy and practice in child and family welfare are culturally safe and responsive
- governments and community services are accountable to Aboriginal and Torres Strait Islander peoples.

The enablers for the strategy are: focus on the child; enable self-determination; take a holistic and life-course approach; address trauma and enable healing; shift and balance investment; create partnerships; empower parents, families and communities; set high expectations and positive norms; recognise culture as a protective factor; share power, responsibility and accountability; provide accessible and coordinated services; innovate, build evidence and adjust.

Source: Queensland Government 2017d, p. 8.

In response to *Not Now, Not Ever*, the government has adopted a *Domestic and Family Violence Prevention Strategy*. The strategy will be implemented through a series of three-year action plans. One of the initiatives in the action plan is an Integrated Services Response Trial over three sites, one of which is Cherbourg (the other sites are Mount Isa and Logan/Beenleigh). The trial includes the development of a common risk assessment and safety management framework and tools to support multi-agency intervention models responding to high-risk cases.

## Key themes in community safety services

Previous reviews and the consultation processes associated with them have suggested the following themes in system performance for the communities:

- Over the past 20 years there has been a shift towards standardising services, often dictated by centralisation, or supply-side imperatives (Crime and Misconduct Commission 2009, p. 19).
- Responses to overflowing tensions have been ad hoc and reactive, which have created a mix of structures within communities (Crime and Misconduct Commission 2009, p. 20).

- There has been a move to increased NGO service provision, with services determined by grant availability and provider ability. These services, often based on standardised contracts, may not align to the needs of communities and may not 'bridge' well into remote communities (see Chapter 8).
- The growth of community controlled organisations and recognition of their advantages in engagement (see Chapter 8).
- There has been a continued emphasis on government engagement with communities, but of variable quality ((Crime and Misconduct Commission 2009, p. 26).<sup>64</sup>

A further theme has been the need for greater coordination and case-based approaches to address the multiple factors that affect behavioural pathways. The two primary methods for coordination currently used in community safety are:

- lead-agency-based coordination (for example, the Integrated Response Services Trial)
- case management coordination (for example, the Community Justice Groups and the Family Responsibility Commissioners).

Neither approach is necessarily a panacea. For example, the Family Responsibility Commissioner highlights problems when the coordinator has limited ability to influence the availability of services (FRC 2015).

## 16.7 Opportunities for improving community safety

This section focuses on opportunities to:

- expand effective prevention. There is a large body of evidence that effective prevention programs 'more than pay for themselves'. The key issue is successfully implementing such programs in the communities
- deregulate and free up local capacity to contribute to improving community safety
- shift responsibility for Alcohol Management Plans to communities. This can provide a means for engaging the community, government and service providers on a fundamental safety responsibility.

### A greater focus on treating the 'cause' rather than the 'symptoms'

The expenditure estimates for community safety indicate an emphasis on reactive services, such as policing, courts and corrections, and child safety. These expenditures reflect the greater incidence of adverse and illegal behaviours in the communities. There was a consistent message from submissions and roundtable discussions that greater preventative services were required. TSIREC (sub. 8) notes the benefits of early childhood interventions in health and education on development and reducing the need for later interventions:

*Not only does school attendance have an impact on positive life outcomes, limited school participation is associated with a greater chance of dropping out of school and may lead to a cycle of disruptive behaviour. (TSIREC sub. 8, p. 7)*

There is clear evidence from international studies that effective prevention programs work. Table 40 summarises cost–benefit results for prevention programs that have been rigorously evaluated in the US, UK, and in Victoria. In the first example, the Perry Preschool Program, reducing crime was not the primary target. However, this program indicates the contribution health and education make to reduced involvement with the justice system. While this sample of programs is small, those with earlier interventions have generated greater returns.

---

<sup>64</sup> The Barambah Local Justice Group (sub. 2, p. 2) indicated its disappointment at the level of consultation and that local community Elders were not included in the High Risk Team chosen for Cherbourg.

For example, Conti and Heckman (2012) considered the results from a nurse–family partnership intervention that targeted first-time single pregnant adolescents. That service provided in-home visitation during the first two years. Benefits were seen in child health, workforce participation and reduced welfare dependency (for the mother). Where this service used para-professionals rather than nurses the effects were halved.

Conti and Heckman summarise reviews of early childhood programs and suggest:

*...that mixed interventions (i.e. those involving as educational, care and stimulation components), of greater intensity and longer duration are most effective.... interventions should target younger and more disadvantaged children, and actively seek the involvement of families and of the caregivers (2012, p. 37)*

## Prevention opportunities are available at various stages ...

A recent Queensland government initiative to reduce juvenile offending is the Transition to Success (T2S) program, which is an alternative education and vocational training program delivered by highly-trained youth workers in a local community setting. Youth Justice data show that the program is highly successful, with up to 70 per cent of participants either with no or only minor reoffending. The program is currently offered in Aurukun, Townsville, Cairns and 9 other Queensland locations. An external evaluation of the program is underway.

## ... and engagement is a key to success ...

One important conclusion from the evaluation work is that programs can be successfully transferred to other cultural settings, if there is effective engagement between the program and participants (Lipsey 2016). Local communities have a strong comparative advantage in achieving engagement. This was recognised in the *Taking Responsibility* report and has seen a switch to delivery of child safety supports in Aboriginal and Torres Strait Islander communities through community-controlled organisations. Opportunities for increasing local participation are outlined below.

## ... as well as far-sighted funding and sound processes

The Justice Reinvestment approach involves using future reduction in criminal system costs to pay for prevention programs. The LGAQ (sub. 14, p. 21) summarise the approach as follows:

*if one young person stays in the community for one year instead of being locked up, the government will save close to \$500,000. Justice Re-Investment suggests that these savings can be redirected into communities to implement more of the strategies outlined in their plan. This concept aims to keep young Indigenous people out of prison by giving communities the resources they need to find local solutions to local problems, making communities stronger and safer.*

When the returns from prevention programs have long timeframes, making the switch from reactive to prevention services creates a funding gap. The Maranguka Justice Reinvestment project in NSW is in the early stages of measurement and identifying initiatives for funding. While philanthropy is funding the initial set up of the project, the issue of funding the developed initiatives is yet to be resolved. The key frameworks being used in the project are set out in Box 16.2.

**Table 40 Cost–benefit analysis of prevention programs**

Program	Description	Cost–benefit results
Perry Preschool Program, Michigan	This preschool program focused on making life-course development gains for disadvantaged children. Outcomes were a reduced incidence of crime and subsequent justice costs up to the age of 40 years (at last assessment).	\$16 return to society for every \$1 spent. \$11.31 was in the form of reduced crime related costs.
Mendota Juvenile Treatment Centre, Wisconsin	Specialised intensive cognitive and behavioural mental health treatment. The project involved a 2.5-year program, with 4.5 years of follow-up. Recidivism was half that of the control group and one-third for violent re-offending. The additional cost for treatment was \$7,014 per person.	\$7.18 for every \$1 spent. Benefits of recidivism only—no other benefits were included (such as improved employment prospects).
Madison County Youth Court, Mississippi	This involved two trials of (1) regular probation and parole interventions comprising face-to-face meetings, and regular contact with parents/guardians, and (2) additional cognitive behavioural therapy (CBT) for both juveniles and parents.	\$1.96 return for every \$1 spent (CBT, recidivism only). Program 1 did not generate significant differences.
Anchorage Wellness Court, Alaska	Substance abuse treatment involving moral recognition therapy, recovery meetings, employment and financial coaching, substance abuse monitoring, and case management.	\$3.44 for every \$1 spent (24-month window), falling to \$1.25 after 40 months. Recidivism only.
Multnomah county drug court	Alternative courts for drug related offending that include drug dependence treatment. The court was less costly to administer than regular court processes.	\$3,770 savings per participant in administration costs and reduced recidivism.
Connecticut in-prison substance abuse treatment	Four tier (T) treatment program for alcohol and drug problems. Recidivism measurement at 12 and 24 months.	\$5.74 (T4), \$3.18 (T3) and \$1.79 (T2) for each \$1 spent.
Chicago Child-Parent Centres	Three programs providing education and family support to low income children aged three to nine years (1) preschool age (2) school age and (3) extended. Outcomes measured to age 21 for juvenile offending and education outcomes.	\$7.14 (P1), \$1.66 (P2) and \$6.11 (P3) for every \$1 spent.
Military Corrective Training, UK.	Military-based programs for juvenile offenders.	\$1.02 for every \$1 spent.
Drug Court Program, Victoria	Use of Drug Treatment Orders that provide treatment and supervision and custodial sentences (suspended to allow for treatment).	\$5.81 for every \$1 spent.

Source: Dossator 2011.

## Box 16.2 Collective Impact Framework and Justice Reinvestment

**Collective Impact** is a framework to tackle deeply entrenched and complex social problems. The approach is based on a belief that no single policy, government department, organisation or program can tackle or solve increasingly complex social problems. It calls for stakeholders to abandon their own agenda for a common agreed agenda, sharing measurement and aligning effort. Collective Impact initiatives have a centralised infrastructure or backbone organisation to help focus stakeholder efforts behind the agenda.

The five key elements are:

- a common agenda, which involves a shared understanding of the problem and a joint approach to solving it through agreed actions
- collecting data and measuring results consistently across all the participants for alignment and accountability
- a plan of action that outlines and coordinates mutually reinforcing activities for each participant
- open and continuous communication to build trust, assure mutual objectives, and create common motivation
- a backbone organisation to serve the entire initiative and coordinate participating organisations and agencies.

**Justice Reinvestment** is a data-driven approach to improve community safety, reduce corrections and related criminal justice spending, and reinvest savings in strategies that decrease crime and strengthen communities. It comprises four phases:

- mapping and analysis of demographic and justice data
- development of options
- implementation
- evaluation.

Both Collective Impact and Justice Reinvestment approaches have been adopted for the Maranguka Justice Reinvestment Project in Bourke (NSW).

*Source: Collaboration for Impact n.d.; Homel 2014; KPMG 2016.*

One approach to funding services that provide future benefits are social benefit bonds. These bonds attract upfront private investment to pay for those services in exchange for future payments that are based on provider performance. In this way, provider performance and associated savings can be used to pay back the original investors. The Queensland Government has recently introduced three social benefit bonds (see Chapter 8).

The PWC (2017) report on indigenous incarceration attempts to estimate the cost savings from various preventative programs relative to a projected baseline. Their calculations use various evaluations to estimate impacts, including the Perry Preschool program, the Nurse-Family Partnership, and Multi-Systemic Therapy (MST). Table 41 provides the estimated percentage reduction in costs, at 2020, 2040 and in total between 2018–2092. The modelling did not include the costs of implementing the initiatives.

The MST intervention provides the best savings. It does this by providing early returns that accumulate, compared to early prevention initiatives that generate savings but with a lag.

**Table 41 Estimates of expenditure saved on indigenous incarceration savings from modelling of various interventions (per cent of projected baseline)**

Intervention	2020	2040	2018-2092
Universal access to 15 hrs/week pre-school at age 4	-	20.2	17.6
Early intervention (Perry Preschool and Nurse-Family Partnerships)	-	7.1	7.5
MST type intervention for young offenders	7.4	53.8	44.5
Prison and post release interventions	0.8	7.5	6.5
Cumulative effect of all four interventions	11.5	72.9	63.1
Hypothetical closing the gaps by 2040	30.8	95.6	77.1

Source: QPC calculations based on PwC 2017.

## Deregulate and free up local capacity to contribute to improved community safety

This section considers evidence and opportunities for reducing barriers to community involvement in community safety roles. The issues relate specifically to blue cards, allowing for greater local participation in delivering services, and restraining demand for higher occupational requirements. Reducing these barriers should benefit both local employment and community engagement with those services.

### Blue card and criminal convictions

Blue cards are required by both employees and volunteers for positions providing services to children. Suitability for such positions is primarily determined by criminal history, and the system involves ongoing monitoring of criminal conduct. Several issues have been raised during the Inquiry in relation to Blue Card eligibility:

- Some submissions considered that non-child-related offences prevented some suitable candidates from jobs—such as groundsman/cleaner or community health worker (Hannan sub. 24), and volunteer patrols (DTMR sub. 6).
- The requirement for suitable identification to obtain a blue card is not always readily available for some family and community members.
- Blue Card requirements for ‘out of home care’ (OOHC) raise a barrier to kinship options. Blue Cards are required by all adults usually residing in the household, raising the threshold for suitability.

In introducing a private members bill to allow community justice groups to make decisions on blue cards, the Member for Mt Isa noted:

*I have come across many cases in remote Indigenous communities where a person who has completely turned their life around is unable to work or contribute fully to the community because old convictions prevent them from getting a Blue Card.*

*There have been cases where the local school community and police have determined the person poses no risk to children and their employment would have positive community impacts, but they still cannot work in certain roles in the community because of past offences. (Katter 2017)*

In September 2017, the Queensland Family and Child Commission (QFCC) released reviews of the blue card and foster care systems (*Keeping Queensland's children more than safe: Review of the blue card system* and *Review of the foster care system*).

The QFCC reviews build on the work of the Commonwealth Royal Commission into Institutional Responses to Child Sexual Abuse (RCIRCSA). That work includes recommendations for working with children checks (WWCC). Among those is a shift to the decision-making principle based on risk of harm to the child, rather than the current principle of the 'best interests of the child' (QFCC 2017a, p. 83). The review also recommends the development of new risk assessment guidelines to be based on current research (QFCC 2017a, rec. 44). Other recommendations seek to reduce processing times, increase the range of positions requiring a blue card, and increase the amount of information to be considered in a risk assessment.

The review also recommends a strategy and action plan to provide more support for Aboriginal and Torres Strait Islander peoples and build cultural capability in the blue card system (QFCC 2017a, rec. 73). The recommended strategy includes:

- establishing a reference group to co-design the strategy and action plan
- a community engagement plan and the provision of culturally appropriate information and resources
- provision and funding for community based support to assist with the WWCC process
- consideration of ways to empower communities to be involved in decisions about their community
- building cultural capability within Blue Card Services (who administer the blue card system)
- a governance and an evaluation plan for the strategy and action plan.

The related review of foster care by the QFCC recommended greater support for kin carers and the addition of mandatory checks for domestic violence, traffic history, referee checks (one chosen by the assessor) and medical clearance from the applicant's General Practitioner (QFCC 2017b, rec. 9). These latter requirements are likely to create additional barriers to kin care in the communities. The review also recommends that the DCCSDS use a carer assessment tool that address cultural issues for Aboriginal and Torres Strait Islanders (QFCC 2017b, rec. 15). The implementation of that recommendation is likely to influence the overall effect of the additional requirements on the availability of kin care.

The Commission recommends that the following aspects of the strategy outlined by the QFCC Blue Card review should be given high priority (QFCC 2017a, rec. 73):

- The provision and funding for community based support for WWCC processes. The review provides evidence on a Blue Card Services initiative of directly contacting organisations to help them complete forms when needed had a positive impact on indigenous applicants (with a reduction in the rate of withdrawals from the application process from 17.8 to 5 per cent (QFCC 2017a, p. 129)). Some Community Justice Groups (CJGs) are likely to have the skills to provide such services, and could further build their capacity to play a role in the approval process.
- The development of a role for local community organisations in the approval process for blue cards. There are several ways that local bodies (such as CJGs) could interface with the approval process .

A vexing issue for the QFCC review and the blue card system is that evidence on the effectiveness of the scheme remains elusive:

*We are aware that some stakeholders question the efficacy of the WWCC scheme because of the cost of its operation, the significant number of people who are required to hold WWCCs and the small number of people it prevents from working with children. We have not been able to draw conclusions about the overall effectiveness of WWCCs because of the limited research and evidence available. However, we share the view held by the majority of government and non-government stakeholders whom we consulted about WWCCs: that they deliver unquestionable benefits to the safeguarding of children. (RCIRCSA 2015, p. 5)*

Notwithstanding this, the question of whether the blue card system is the best way to achieve child safety objectives appears far from settled. The Commission considers that an overall assessment of the costs and benefits of the scheme against alternative options will be important for the future statutory review recommended by the QFCC (to be undertaken after five years).

The government should also ensure that the historical build-up of criminal convictions within the communities does not prevent individuals from 'turning their lives around'. If local community members are to participate in quasi-regulated services in their community, then allowance will need to be made for hurdles from criminal histories. For example, the evaluation of Community Justice Groups recommended new program guidelines which include clear safeguards regarding the nomination of new members with criminal histories (KPMG 2010, p. 6).

## Increasing local service opportunities

Cultural awareness and safety has been identified as an issue with current service delivery processes. It affects service effectiveness by reducing levels of trust and creating a barrier to accessing services.

Submissions and consultations identified several opportunities for local involvement in service delivery. Examples include:

- Grounds-persons, health service coordinators, school support officers and night patrols (Hannan sub. 24, YASC sub. 11)
- Providing support to education services, such as morning breakfasts, or walking buses to collect children for school
- Various mentoring roles. Mentoring can be a means for providing support where clan differences within communities would otherwise reduce trust and service effectiveness
- Cultural advisors. More advanced technical services can be delivered with the aid of local advisers who focus on cultural issues and monitor interventions to ensure they are culturally safe (Just Reinvest NSW 2013). In his report on the Queensland parole system, Sofronoff (2016) supports a suggestion, from Woorabinda, to employ Aboriginal and Torres Strait Island persons as cultural liaison officers to assist parole officers (Sofronoff 2016, p. 9).

Several CJGs have implemented additional initiatives in conjunction with their core roles in supporting offenders and victims through the court process. Examples include the mediation services and workshops on Mornington Island. The Palm Island CJG has been integrated into the wider service delivery of the Palm Island Community Company. The Barambah Local Justice Group (Cherbourg) indicate in their submission that they receive insufficient funding for the work they undertake (BLJG sub. 2). The current voluntary nature of the group is considered to hinder attracting new members (KPMG 2010).

There is an opportunity for CJGs to provide a focus point to expand service delivery targeted at offenders in the community. CJGs vary in their capabilities, and the KPMG review in 2010 recommended that they should focus on their core role (KPMG 2010). The report by PwC (2017) identifies several justice initiatives, such as mediation, local diversion, restorative justice and re-integration that could be commissioned or delivered by CJGs. Under the reform proposal such services are likely to become a key interest for the community body. It remains to be seen how communities would use the capabilities in their CJGs. If the reform proposal is not implemented, the capacity of CJGs as the core local justice organisation should be increased.

## Ensuring requirements do not restrict opportunity

One of the trends identified in the delivery of community safety (section 16.6) was a move to standardise service delivery. It was one reason for eliminating community police and creating the role of Police Liaison Officer which came under control of the Queensland Police Service (CMC Indigenous Policing Inquiry 2007). In addition, decisions by departments to establish arm's-length quality control of non-government service providers, by specifying qualifications and processes, can limit local service opportunities.

Governments may introduce additional standards to increase service quality, but can unnecessarily raise the costs of care and create barriers to employing lesser qualified workers. The Commission received feedback that the qualifications requirements to fill some service provider positions were too high (YASC sub. 11). While credentials and standards generally aim to ensure a minimum quality of services, they do not guarantee it. In addition, those standards can have the unintended consequence of excluding local workers with an appropriate skill base to perform roles. Jobs would be more accessible if position requirements emphasised the outcomes for positions and the associated skills, instead of relying on qualifications that are in short supply within the communities.

There may also be opportunities for aspects of service delivery to be redesigned to allow for local roles that benefit from their continuous community-based presence, cultural awareness and local knowledge. These roles can provide a basis for local community members to gain work experience, and work-ready skills. They may also lead to pathways for positions with greater responsibility, training and certification. It is also clear that lifting skillsets can be achieved by carefully developing and delivering training. An example is the SafeKIDs service run by Actforkids that operates in Aurukun, Kowanyam, Napranum, Prompuraww and Doomadgee. The safe house in Doomadgee will transition to the control and management of the traditional owners.

Deregulation requires the government to shift some of the risk for outcomes back to communities, and this is a key aspect to the reform proposal. The Commission recommends that the government actively remove barriers to local involvement in the delivery of services, including through:

- ensuring the requirements and processes for service delivery in the communities facilitate local participation
- ensuring that job specifications focus on outcomes required for those roles, and that screening requirements do not unnecessarily limit the participation of local community members, such as through restrictions on historical criminal convictions, education requirements, and occupational regulation.

## Alcohol Management Plans

Alcohol is a key situational issue for the violence in the communities. Over two-thirds (68 per cent) of Aboriginal and Torres Strait Islanders who experienced physical violence indicated that alcohol or other substances contributed to the most recent incident. This proportion rises to 76 per cent in remote areas (ABS 2016b). The Family Wellbeing evaluation identifies:

*[T]he epidemic of substance abuse is not just one of the many factors contributing to the poor health and early deaths for indigenous people in the Cape, it is the central factor. (Tsey et al. 2006, p. 8)*

In addition to the costs to the criminal justice system, alcohol misuse impacts the health system, productivity, road accidents and mortality (Manning et al. 2013). Foetal Alcohol Spectrum Disorder (FASD) has long-term

developmental effects and impacts child safety outcomes (see Chapter 17 on Health). Alcohol Management Plans (AMPs) were originally introduced from 2002 across 19 remote communities. The status of the AMPs and the rate of breaches of the restrictions for those communities are set out in Table 42.

**Table 42 Alcohol Management Plan restrictions and breaches by community, 2015–16**

Restriction	Communities (breaches per 1,000 persons)
Zero carriage limit—no alcohol, home brew or home brew equipment is allowed.	Aurukun (111.7), Kowanyama <sup>a</sup> (260.9), Lockhart River (104), Mornington Shire <sup>a</sup> (284.1), Napranum (33.3), Pormpuraaw <sup>a</sup> (84.8), Woorabinda (187.8), Wujal Wujal (300.7)
11.25 litres (1 carton of 30 cans) of light or mid-strength beer.	Palm Island <sup>a</sup> (54.7), Cherbourg (268.0)
11.25 litres (1 carton of 30 cans) of light or mid-strength beer or 750 ml (1 bottle) of non-fortified wine.	Yarrabah (49.1), Hope Vale <sup>a</sup> (18.7)
2 litres of non-fortified wine and either 11.25 litres (1 carton of 30 cans) of any strength beer, or 9 litres of pre-mixed spirits (1 carton of 24 cans).	Northern Peninsula Area <sup>a</sup> (11.8)
22.5 litres (2 carton of 30 cans) of light or mid-strength beer—no home brew or home brew equipment is allowed.	Doomadgee (60.8)
2 litres of non-fortified wine, and either 22.5 litres (2 cartons of 30 cans) of light or mid-strength beer and 9 litres of pre-mixed spirits (1 carton of 24 cans); or 33.75 litres (3 cartons of 30 cans) of light or mid-strength beer.	Mapoon (nil)

Notes: <sup>a</sup> Alcohol restrictions do not apply at licensed premises operating in the community. However, specific licence conditions limiting the amount, type, and availability of alcohol apply to each premises.

Source: DATSIP 2017a.

AMPs are an example of how a targeted policy can have both intended and unintended consequences. Impacts identified include:

- a reduction in hospitalisations from assault in the five years following the restrictions (Cape York Institute 2013)
- positive effects initially following the introduction of AMPs, but with a reduction in effectiveness as illicit drinking and supply increased in response (LGAQ sub. 14, p. 9)
- the diversion of QPS resources to policing the restrictions and reducing their ability to undertake preventative policing (LGAQ sub. 14, p. 13)
- an increase in the rate of criminal convictions (for AMP offences) and accordingly, increased contact with the justice system and risks to employment (LGAQ sub. 14, p. 11)
- creation of illegal trade in sly grog, with high prices and covert consumption further encouraging binge drinking (high alcohol content and swift consumption reduce the risk of detection)
- illicit trade in alcohol combined with driving, increasing the risk of serious road incidents

- increases in the consumption of illegal substitute drugs, such as ice, marijuana and kava (LGAQ sub. 14, p. 11)
- increases in the production of homebrew, in particular on Mornington Island (see high rates of breaches in Table 42), which has resulted in health risks from high alcohol and sugar content (with impacts on diabetes sufferers)
- encouragement of migration from dry to permitted drinking communities (Clough, in LGAQ sub. 14, p. 10)
- uncertainty and negative effects on tourism (Donald 2003).

In their report on a survey of Queensland communities subject to AMPs, Clough et al. (2017) find that respondents were divided on whether the AMP had a favourable impact on making children safer in the community (56 per cent), making people safer (53 per cent), reducing violence against women (49 per cent), changing the level of violence (53 per cent), or making the community a better place to live (54 per cent). A majority believe school attendance has improved (66 per cent), and that people have become more aware of the harmful effects of alcohol/drinking since the AMP (71 per cent).

There is more agreement on the unfavourable impacts of the AMP, including causing people to get fined/criminal records and convictions (90 per cent), increased use of cannabis (69 per cent), more binge drinking (73 per cent) and discrimination (77 per cent). The report suggests that a way forward would be to use:

*Deliberative democracy based approaches to develop suites of remedial evidence based strategies, combined with community inspired ideas would be appropriate to address the past lack of consultation with affected communities. (Clough et al. 2017, p.12)*

There is positive feedback on the role of licensed premises that have personal drinking restrictions, where moderate alcohol consumption is carried out in social setting and peer pressure can be applied on unacceptable behaviour (Betts 2017).

DATSIP has published an analysis of court records for convictions of AMP offences between 2002 and 2012 (QTT 2013). Its report indicates that 5,676 people gained an AMP conviction in that period. For 1,511 (26.6 per cent) of that group, an AMP conviction was their first contact with the justice system within that ten-year period. Of this group, 860 (15.2 per cent) would only have AMP convictions within the ten-year period. This group, who have obtained a criminal record solely due to AMP conviction, is largely female and older. Younger men dominate those having additional convictions, for offences against property (34.9 per cent), against person (50.5 per cent), and other drug and public order offences (87.5 per cent)<sup>65</sup>.

The Queensland Government has been involved in an extended review of AMPs since 2012. The current review process has three phases:

- Phase one involves community proposals and government assistance. The process requires that community proposals should include strategies for: a sustained reduction in alcohol related violence; reducing alcohol misuse; the future of the AMP; increased school attendance and reduced child protection notification. DATSIP can assist with the required consultation. In addition, the government will consult with a wider set of stakeholders.
- Phase two will develop transition plans and alternative strategies. The transition plans will outline strategies set out in phase one. They are to be developed within existing budgets and will be verified with the community.
- Phase three is for implementation and monitoring to ensure strategy outcomes are being achieved (DATSIP 2012).

---

<sup>65</sup> These percentages do not add to 100 as they reflect the most serious offences in a case, and a person may have several cases over the ten-year period.

In 2015, most of the communities indicated they wished to relax the restrictions (Napranum, Kowanyama, Pormpuraaw and the five communities of the NPA, Mornington Island and Palm Island). Those who did not want to see the restrictions lifted included Aurukun and Wujal Wujal (McKenna & Elks 2016).

Currently all 19 communities have provided AMP proposals. An unpublished review has also been completed based on a report by PwC Indigenous Consulting. Wider consultation has also been undertaken (DATSIP 2017).

The Mornington Shire council has released its strategic review. The council have made five major recommendations in relation to their strategy:

- Formalising an AMP committee to provide advice to the community, council and government in relation to the plan. The committee would comprise representatives from health, justice, education and substance treatment providers.
- Reintroduction of legal alcohol in three stages. The first, is to introduce a carriage limit with a detached bottle shop licence, followed by a community club licence, and finally a hotel licence. The strategy indicates that government support in respect of the *Liquor Act 1992* and other relevant legislation is required.
- Appropriate penalties for homebrew and sly-grog sellers. The strategy seeks to prohibit the possession of turbo yeast used in homebrew manufacture.
- Greater support and resources for hospital and law enforcement.
- Provision of sober-up and alcohol treatment facilities (Mills 2017).

The strategy document notes that consumption of homebrew, and emergency department presentations at the Morning Island Hospital increased following the closure, of the only legal premises for alcohol consumption on the island in 2016. Several service providers also saw job applicants withdraw their applications once they realised there was no access to legal alcohol consumption on the island (Mills 2017, p. 80–81).

Given the high and persistent perverse outcomes under the AMPs, the Commission recommends that the Queensland Government finalise the AMP review as an immediate priority with:

- a focus on the overall effectiveness and efficiency of AMPs (do the costs outweigh the benefits)
- devolving control of AMPs to communities
- supporting community decision making with timely information through which they can measure the effectiveness of their strategies.

## 16.8 Conclusion

Community safety has a significant impact on individual, family, and community wellbeing. Prevention initiatives are relatively underdeveloped and under-resourced. Identifying and funding successful prevention initiatives is a challenge, but the social impact and justice reinvest trials highlight the importance of focusing on performance and measuring outcomes and progress. On top of these general challenges, are the additional challenges of designing for more entrenched problems within the communities and engaging those within them. Ensuring local communities have a role in the commissioning of those services and can participate in their delivery will make a significant contribution to community safety outcomes. The reform proposal features are aligned with these needs.

---

## Recommendation 19

The Queensland Government should adopt a community-based approach to community safety that harnesses local resources, responsibility and capabilities. The government should:

- identify and implement opportunities for effective and efficient prevention initiatives, with specific consideration given to early childhood education and community based programs
- remove barriers to local involvement in the delivery of services, including by:
  - ensuring the requirements and processes for service delivery in communities do not impede local participation
  - ensuring that job specifications focus on outcomes required for those roles, and that screening requirements do not unnecessarily limit the participation of local community members.

## Recommendation 20

In responding to the reviews of the blue card and foster care systems, the Queensland Government should:

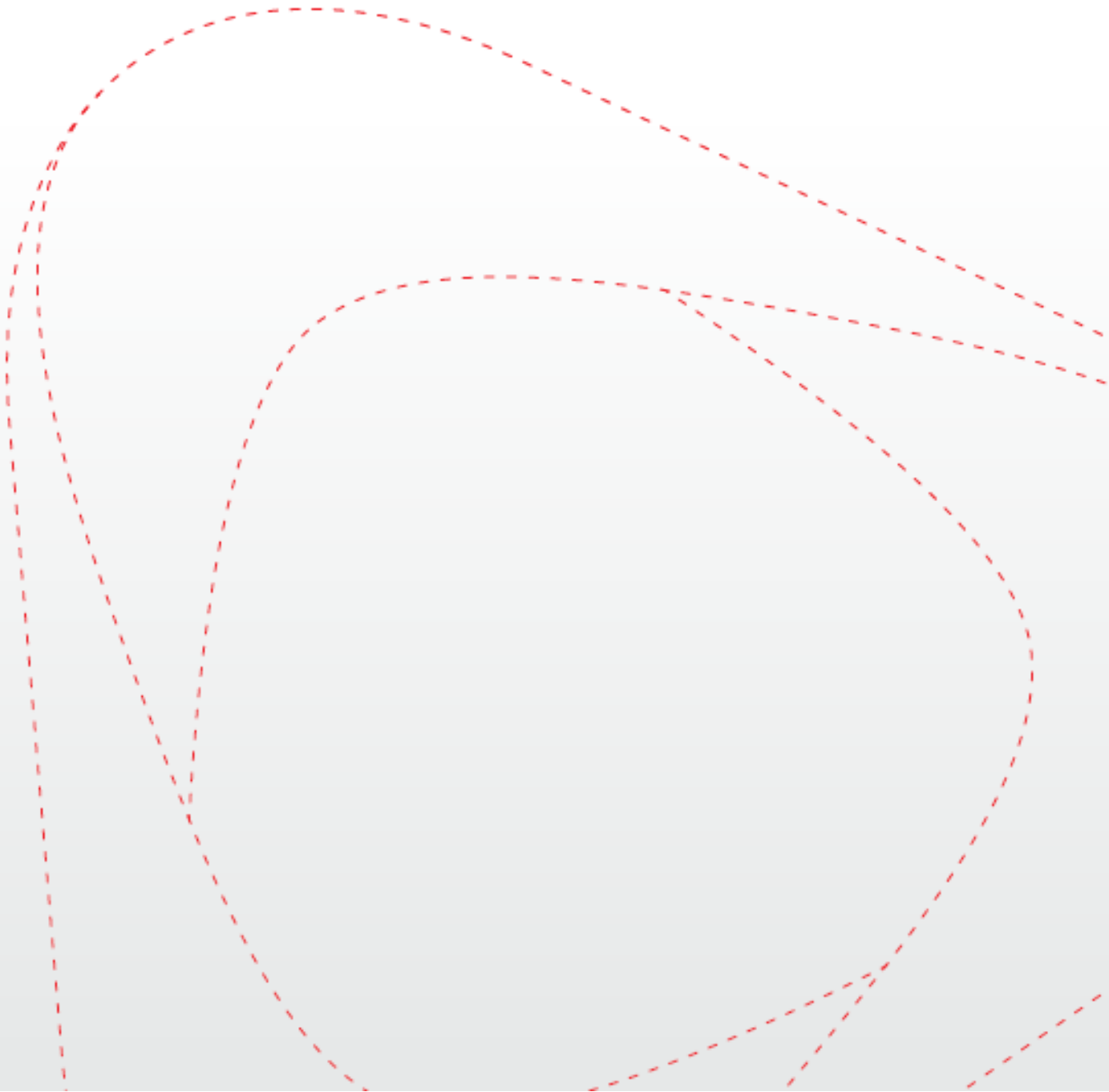
- demonstrate that the safety benefits from any additional standards outweigh the associated costs and impacts
- prioritise the following aspects of the Aboriginal and Torres Strait Islander strategy outlined by the QFCC Blue Card review:
  - the provision of, and funding for, community based support for Working with Children Checks
  - the development of a role for local community organisations in the approval process for blue cards.

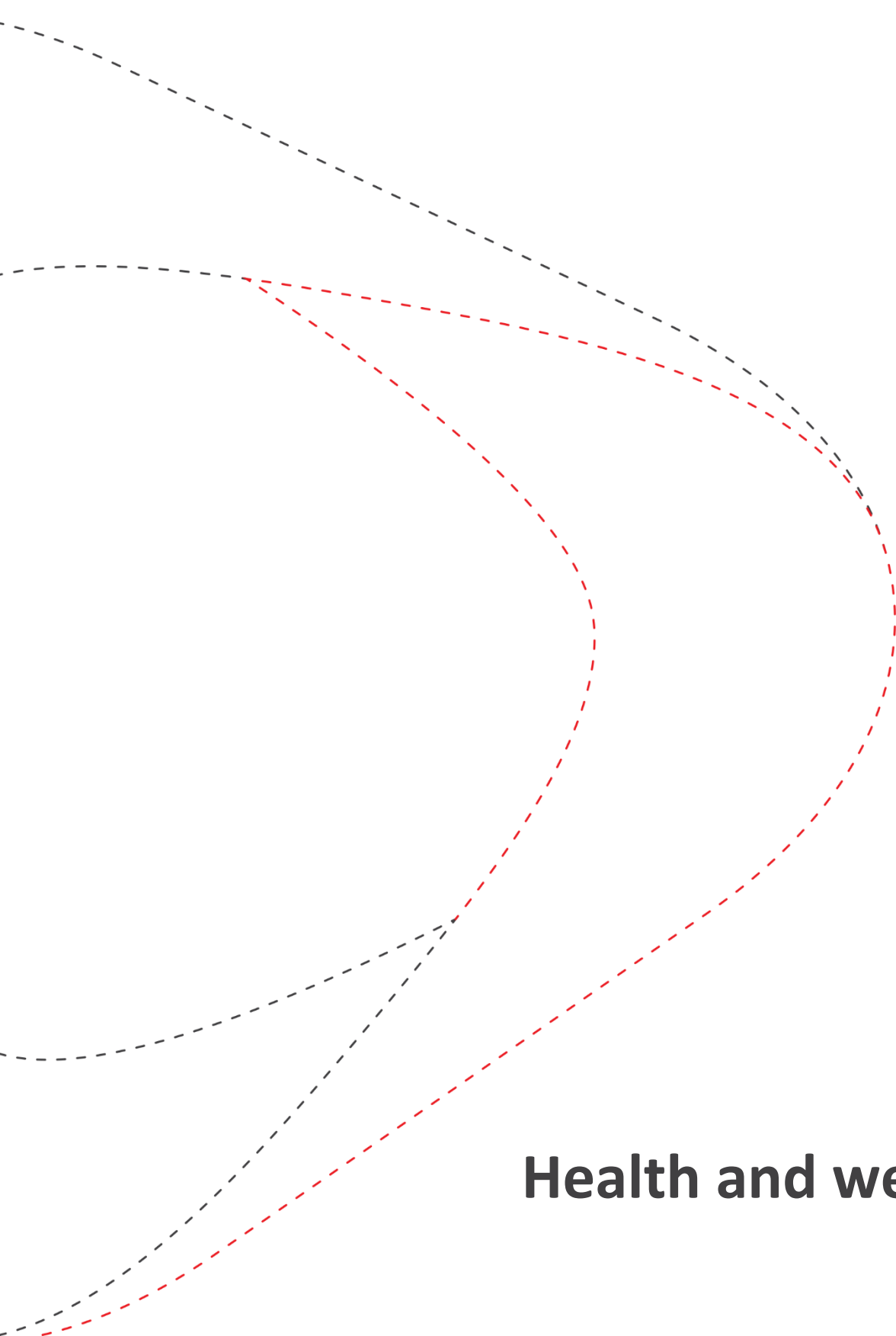
The future statutory review recommended by the QFCC should include an overall assessment of the costs and benefits of the blue card scheme against alternative options.

## Recommendation 21

The Queensland Government should finalise the review of Alcohol Management Plans (AMPs) as a priority, with a focus on:

- the overall effectiveness and efficiency of AMPs (including whether their costs outweigh their benefits)
  - devolving control of AMPs to communities
  - supporting community decision making with timely information through which communities can measure the effectiveness of their strategies.
-





**17.0**  
**Health and wellbeing**

*This chapter provides an overview of health and wellbeing in the communities, and examines some key service delivery issues influencing health outcomes.*

*The Commission has not undertaken a full review of health and wellbeing services—rather, the findings reflect a focus on significant issues impacting on remote and discrete Aboriginal and Torres Strait Islander communities.*

## Key points

- Indigenous people in remote Queensland experience a burden of disease and injury 2.4 times the non-Indigenous rate—mainly chronic disease, mental disorders, cancers and intentional injuries.
- Socioeconomic determinants (education, income, overcrowding), racism and discrimination play a significant role in the health gap, along with behavioural and environmental risk factors.
- The health system is a multifaceted network of services and settings, involving a variety of public and non-government providers, funding arrangements, participants and regulatory mechanisms.

### System issues

- The ‘silo’ approach to service delivery is problematic for communities. It is difficult to ensure services are adequate, appropriate, coordinated and not unnecessarily duplicated, and meet community priorities and user needs.
- Mainstream mental health services do not meet the cultural needs of Indigenous people, who view social and emotional wellbeing as incorporating individuals, their families and communities.
- Service providers and institutions are not well-equipped to respond effectively to the distress Stolen Generations can experience when using those services—distress that arises from the role of those institutions in past injustices.
- Anecdotally, Foetal Alcohol Spectrum Disorder is prevalent, and access to diagnosis limited.
- Access to healthcare can be problematic—issues include ineffective, nil or confusing referral pathways, lower screening rates and limited access to renal care and rehabilitation centres. There are significant gaps in the Indigenous health workforce.

### What is working

- Aboriginal and Torres Strait Islander community-controlled health services provide effective, culturally appropriate and multidisciplinary models of comprehensive primary healthcare.
- Family Wellbeing is an example of a cultural healing program that has been found to increase the capacity of participants to exert greater control over their health and wellbeing.

The reforms proposed by this inquiry can provide an enabling environment for stakeholders to develop collaborative and flexible solutions to these challenges.

## 17.1 High-level outcomes

Aboriginal and Torres Strait Islanders experience more ill-health and disability than non-Indigenous Queenslanders and are more likely to die at a young age. This disparity is known as the ‘health gap’.

Aboriginal and Torres Strait Islander Queenslanders living in remote and very remote areas experience a burden of disease and injury 2.4 times the non-Indigenous rates, compared to those living in major cities (1.9 times) (QH 2017a, p. 13).

In remote areas, the largest broad-cause contributors to disease and injury burden in 2011 were chronic disease, mental disorders, cancer and intentional injuries. Diabetes was the leading specific cause of burden of disease and injury, followed by ischaemic heart disease, anxiety and depression, chronic obstructive pulmonary disease, and suicide and self-inflicted injuries (QH 2017b, p. 28). Compared to the Queensland non-Indigenous rate, Aboriginal and Torres Strait Islander people living in remote areas experienced 3.5 times the expected burden for injuries, and four times the expected burden for communicable diseases, maternal and neonatal conditions (QH 2017b, p. 81).

### Chronic disease

Chronic diseases accounted for the greatest burden of disease of remote Aboriginal and Torres Strait Islanders in Queensland. These are non-communicable diseases that evidence has demonstrated could be better prevented and managed in remote locations.

#### Chronic disease risk factors

Addressing the range of health risks that contribute to chronic disease is a challenge (NRHA Inc n.d., p. 1). Known health risk factors include smoking, drinking and other drugs, family dysfunction, inactivity, poor health literacy, passive welfare, economic and employment disadvantage, gambling, and physical environmental factors including inadequate housing, overcrowding, inadequate food storage and cooking facilities and inadequate public health infrastructure. These can contribute to high rates of injury, obesity, poor nutrition, preventable infections, high sexually transmissible infection (STI) rates, and low personal resilience—resulting in chronic disease and other poor health outcomes (Tsey et al. 2006, p. 24). People in remote areas have poorer oral health, which has also been linked to a greater risk of developing cardiovascular disease, diabetes and respiratory illnesses (NRHA Inc n.d., p. 2).

Reducing exposure to behavioural and physical risk factors could reduce the burden of disease and injury in Queensland’s Aboriginal Torres Strait Islander people by up to 37 per cent (QH 2017a, p. 11). For example, more than half of the diabetes, cardiovascular disease and cancer burden (74 per cent, 68 per cent and 50 per cent respectively) could be avoided through the elimination of selected risk factors including obesity, smoking, and physical inactivity. (QH 2017a, p. 43)

### Mental disorders

Together in 2011, mental disorders and intentional injuries (including suicide, self-harm, homicide and violence) were the second greatest contributors to disease and injury burden in remote areas, particularly among adolescents and young adults. According to the 2016 Overcoming Indigenous Disadvantage report, wellbeing and resilience problems of young Indigenous people have seen no improvement—these include family violence, psychosocial distress, hospitalisations for self-harm and juvenile detention (SCRGSP 2016 in CQUniversity sub. 7, p. 3).

Australia’s Indigenous men have the highest rate of suicide in the world—of this group, the most prevalent rates of suicide manifest in the Cape York and Torres Strait communities (CYI sub. 26, p. 4).

The impacts of mental health and wellbeing issues are felt at the community and individual levels:

*especially when it comes to dealing with a systemic core problem of socio-economic disparity and 'mental health crisis' that is prevalent in remote and discrete communities ... the composition of chronic infestation is enshrouded within an invisible film of complex trauma that is filtered through the networks of community settlement bringing a scourge of a silent epidemic that is spreading with no real form of crisis management that is creating social disharmony and dysfunction within our society especially across the greater Mount Isa & Gulf regions. (NWQICSS sub. 23, p. 6)*

A study of treated psychotic disorders in the Indigenous populations of Cape York and the Torres Strait found a higher prevalence in the Aboriginal population (2.05 per cent) than in the Torres Strait (0.95 per cent). Male Aboriginal Australians were found to bear the greatest burden of psychosis in these populations. High rates of alcohol and cannabis use were found, and comorbid intellectual disability was common (Hunter et al. 2012).

## 17.2 Factors affecting health service delivery

### Economic and social determinants of health

Between one-third to half of the health gap between Indigenous and non-Indigenous Australians is estimated to be attributable to social determinants (AHMAC 2015), meaning that much of the work to improve health inequalities lies beyond the health sector. For example, chronic disease is best addressed 'upstream' before it has the chance to develop, with a focus on determinants of health including the social and physical environments (Tsey et al. 2006, p. 24).

Increased disadvantage in more remote areas suggests that social determinants would have an even greater impact on health outcomes. Poorer access to services, medications and healthy food sources due to environmental, geographical and cultural factors contribute to higher rates of disease and injury burden in remote parts of Queensland (QH 2017a, p. 13). Households are more likely to be overcrowded, and services such as sewerage, and facilities for food preparation and washing, are more likely not to be working (NRHA Inc n.d., p. 8). Employment and incomes tend to be lower, impacting on the ability of remote living Indigenous people to access health and community services, including transport and communication (NRHA Inc n.d., p. 8).

Health and wellbeing issues are compounded by the effects on the Stolen Generations and their immediate family and descendants. This group:

*are around 50 per cent more likely to have been charged by police, 30 per cent less likely to report being in good health, 15 per cent more likely to consume alcohol at risky levels and 10 per cent less likely to be employed compared to other Indigenous people in Australia (Anderson & Tilton 2017, p. 19)*

In some cases, trauma is passed down to future generations (Box 17.1).

#### Box 17.1 Intergenerational trauma definition

The subjective experiencing and remembering of events in the mind of an individual or the life of a community, passed from adults to children in cyclic processes as 'cumulative emotional and psychological wounding'.

Source: Anderson & Tilton 2017, p. 22; Atkinson 2013, p. 5.

These challenges contribute to many of the issues faced in communities, including family violence, substance abuse and self-harm (Anderson & Tilton 2017, p. 4). Misdiagnosis can result in ineffective therapeutic interventions (Nadew 2012, p. 3). A holistic approach is needed to address the full spectrum of stressors at the community and individual levels, and to tackle mental illness and substance-use disorders (QH 2017b, p. 32).

## A holistic view of health and wellbeing

Aboriginal and Torres Strait Islander culture has a holistic view of health that includes physical health, mental health, and other factors such as cultural, spiritual and social wellbeing.<sup>66</sup> The wellbeing of communities and families is as important as that of individuals (QMHC 2016, p. 6).

Social and emotional wellbeing and empowerment are key components of a holistic view of health. Social and emotional wellbeing can be defined as:

*being resilient, being and feeling culturally safe, having and realising aspirations and being satisfied with life. (QMHC 2016, p. 6)*

Social and emotional wellbeing is a significant protective factor against the worst impacts of stressful life events. It protects against some mental illnesses, suicide and problematic alcohol and other drug use, and supports recovery. Social and emotional wellbeing improves life outcomes including educational, employment and economic participation, physical health and mental health (QMHC 2016, p. 6).

Empowerment involves people assuming control and mastery over their lives. Recognised by the World Health Organisation as a viable strategy for improving individual and community health outcomes and quality of life, empowerment must be promoted across all service areas if success is to be possible (Wallerstein, in Tsey et al. 2006, pp. 10–12).

A key lesson from the COAG Indigenous community coordination trials and the Northern Territory Emergency Response is that engagement with Indigenous Communities is essential to achieve measurable improvements in economic, health and social indicators. (SCRGSP 2009, p. 71)

## 17.3 The health system

The health system is defined as 'all the activities whose primary purpose is to promote, restore and/or maintain health' (WHO 2000, p. vii). Major types of health care include primary and secondary care (Box 17.2).

### Box 17.2 Primary and secondary health care

**Primary health care** includes health promotion, prevention and early intervention, treatment of acute conditions, and management of chronic conditions.

**Secondary care** is medical care provided by a specialist or facility (such as a hospital) upon referral by a primary care physician.

Source: AIHW 2016, p. 2.1

Health services to rural and remote Aboriginal and Torres Strait communities are a complex arrangement of providers, funding, and regulatory mechanisms. An overview is provided at Box 17.3.

<sup>66</sup> Wellbeing is defined as a state of health or sufficiency in all aspects of life, including health, social well-being, economic well-being, environmental well-being, life satisfaction, spiritual or existential well-being, and other characteristics valued by humans (Tsey et al. 2006, p. 12).

## Box 17.3 Health system roles and responsibilities

### **Australian Government** funds and commissions:

- universal public health insurance (Medicare), subsidising medical services and pharmaceuticals
- population health programs, community health services, health and medical research
- jointly funds public hospitals; Aboriginal and Torres Strait Islander health services
- outreach health programs including chronic disease, hearing, optometry.

### **Queensland Government:**

- manages and jointly funds public hospitals; delivers and commissions primary health care services
- funds and delivers chronic disease prevention and management services (including dental services) through community health centres, public hospitals (outpatient units, outreach programs, inpatient services) and Aboriginal Community Controlled Health Services.

### **Local governments** deliver:

- community-based health and home care services; public health and health promotion activities including immunisation services
- environmental health-related services (for example, water and sanitation services, food inspection).

### **Community controlled health organisations:**

- culturally appropriate and multi-disciplinary models of primary healthcare, with a social and emotional wellbeing focus and a view of the individual as part of the family and community
- services include Indigenous health practitioners, outreach midwives, podiatrists, audiologists, physiotherapists, dietitians and nutritionists, diabetes nurse educators, paediatricians and GPs.

### **Apunipima Cape York Health Council:**

- the largest remote community controlled health organisation in Queensland, delivering integrated wellbeing and primary health care services to 11 Cape York communities.

### **Royal Flying Doctor Service:**

- grant funded by the Australian Government to deliver emergency retrieval, essential health care and general practitioner services in remote and very remote locations
- contracted by Queensland Government to deliver some services in Cape York communities.

### **Private sector:**

- private hospitals; medical practices; pharmacies; allied health services
- limited presence in the remote and discrete communities.

Sources: AIHW 2014, p. 2.1; QH 2015; Tsey et al. 2006, p. 9.

A good health system is one that ‘delivers quality services to all people, when and where they need them’ (WHO 2015). However, stakeholders have advised that the effectiveness, efficiency and equity of health services for communities is hampered by duplication and gaps, inappropriate service delivery models, and a mismatch with community priorities. Access is hindered by cultural and language barriers, lower levels of service availability and distance. These issues are discussed in the following section.

## Duplication and gaps

Communities have multiple local, state and Australian government providers visiting to provide specific services. For example, in Coen—a small community of around 400 people—there are two primary health care facilities less than 100 metres apart: ‘two separate buildings, each separately staffed, delivering primary health services and using separate patient records in one small community’ (CYP sub. 26, p. 9). A lack of coordination and communication between services gives rise to issues including duplication and gaps in service delivery, over-servicing, sub-optimal referral pathways, and no shared tracking of outcomes. CheckUP provided an example that typified broad concerns:

*(CheckUP) ... facilitated a stakeholder meeting between a local discrete Aboriginal and Torres Strait Islander community medical centre, the local HHS facility, the State run Healthy Hearing program, a Commonwealth Hearing program, the regional HHS tertiary hospital ENT service and CheckUP’s funded visiting audiologist. Although all of these providers were linked together in their goal to improve the hearing health of Aboriginal and Torres Strait Islanders, some providers were not aware that there were other services visiting, or of the range of services currently being provided. They were also not aware that they were able or how they could refer to others; not aware that their own referral criteria could restrict external organisations’ access; were servicing some groups multiple times while other groups inadequately; and finally there was no shared database or way of tracking whether patients entering the system were progressing through to achieve an outcome. One provider commented that they had waited five years for a meeting like this to occur. (CheckUP sub. 10, p. 9)*

Another stakeholder observed that:

*Much of the money seems to go to duplicating organisational infrastructure, head offices, HR etc. and duplicated services from multiple organisations. It has also become very political and competitive with funding given out in lots of little bucket for organisations to fight over ... you go to a remote community all of a sudden there’s conditions on using certain staff and funding streams only for certain conditions. Real people don’t work like that. (Wieland sub. DR21, p. 1)*

## Gap: suicide prevention

Submissions to this inquiry suggest a mismatch between services and community priorities, such as addressing the root causes of suicide. For example, there are concerns that:

*suicide and criminal activity are disproportionate amongst youth in Doomadgee ... there is ‘nothing for them to do’—with no facilities or effective programs; and that the solution is on-country education programs that have previously been proposed but not support or funded ... concern that funding is spent on a plethora of duplicated externally provided services, rather than capacity building and employment opportunities within the local Indigenous community. (Burke Shire Council sub. 25, p. 1)*

In Yarrabah:

*suicide prevention funding which employed staff in Yarrabah was reallocated to Lifeline, and is now absorbed into their overarching funding. Previous local support has been replaced by the 1800 phone number which is insufficient and unacceptable for Yarrabah’s specific and highly acute needs. (YASC sub. 11, p. 10)*

Suicide is a significant health challenge in communities. Cultural continuity has been recognised to be an important protective factor, giving a sense of ownership of the past and the future:

*If, owing to some train of personal or collective mishaps, single individuals or whole communities lose track of themselves in time and thus suffer some disconnect with their past or future, life becomes cheap. (Lalonde & Chandler 2008)*

Research among Canada's First Nations found suicide rates were largely unrelated to measures of poverty and isolation, but strongly related to measures of cultural continuity. Measures of cultural continuity include efforts to regain forms of self-government and legal title to traditional lands, reassert control over community and social services, and to preserve and promote traditional cultural practices (Lalonde & Chandler 2008).

The Aboriginal and Torres Strait Islander Suicide Prevention Evaluation Project identified potential success factors for Indigenous suicide prevention programs, led by communities (Box 17.4).

### Gap: Disabilities and Foetal Alcohol Spectrum Disorder

Concerns were raised by stakeholders about gaps in the diagnosis of disabilities and delivery of disability services. Aboriginal and Torres Strait Islander people have substantially higher rates of disability than non-Indigenous Australians (AIHW, 2011b). However, many living in remote communities are reluctant to identify as having a disability and may not receive the support services. Remoteness further impacts on the availability of disability support services (Griffis 2012; Queensland Government sub. 27, p. 5).

#### National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS) is being progressively rolled out across Queensland—it is already available in the Gulf region, with other regions including Cape York and Torres Strait to follow in 2018 (NDIA 2017). The NDIS provides individualised packages of support to eligible people with disability, and creates increased opportunity for disability services to be delivered by Aboriginal and Torres Strait Islander organisations. There are challenges that need to be overcome in the remote and discrete communities for the full potential of the NDIS to be realised (Box 17.5).

## Box 17.4 Community led suicide prevention programs

Primordial prevention<sup>67</sup>:

- addressing community challenges, poverty, social determinants of health
- building identity, social and emotional wellbeing (SEWB) and healing
- Reducing alcohol/drug use.

Primary prevention:

- gatekeeper training—Indigenous-specific
- awareness-raising programs about suicide risk—use of DVDs with no assumption of literacy.

Young people:

- peer-to-peer mentoring, and education and leadership on suicide prevention
- programs to engage/divert, including sport and connecting to culture/country/Elders.

Clinical elements:

- access to counsellors/mental health support—24/7 availability
- awareness of critical risk periods and responsiveness at those times
- crisis response teams after a suicide/postvention.<sup>68</sup>

Community leadership, including:

- community empowerment, development, ownership—community-specific responses
- involvement of Elders and cultural elements in programs.

Provider:

- partnerships with community organisations and ACCHOs
- employment of community members/peer workforce.

Source: ATSISEPEP 2016, p. 3.

<sup>67</sup> Primordial prevention is the prevention of risk factors themselves, beginning with change in social and environmental conditions in which these factors are observed to develop, and continuing for high risk children, adolescents and young adults.

<sup>68</sup> A postvention is an intervention conducted after a suicide, largely taking the form of support for the bereaved (family, friends, professionals and peers).

## Box 17.5 NDIS challenges

### Barriers to accessibility

- Limited understanding amongst communities and remote health services about what the NDIS is, what it is for and how to access and use it.
- It is difficult to navigate the NDIS system and information is not culturally accessible.
- The use of inappropriate language – some communities have no local words for 'disability', making it hard for them to understand what a disability is, or to feel comfortable using the word or identifying as a person with a disability. The terms 'insurance' and 'carer' can be misleading and confusing.
- There is a lack of disability services in remote communities.

### Service providers

- Limited support is available to assist local Aboriginal and Torres Strait Islander organisations to understand and register under the NDIS.
- There is a shortage of Indigenous disability workers, who can play an important role in encouraging and supporting community members to understand and sign up for the NDIS.

Source: ADA Australia sub. DR6, p. 2.

### Foetal Alcohol Spectrum Disorder

Foetal Alcohol Spectrum Disorder (FASD) is an umbrella term used to describe a range of impacts caused by exposure to alcohol in the womb. The consequences vary along a spectrum of disabilities including physical, cognitive, intellectual, learning, behavioural, social and executive functioning disabilities, and problems with communication, motor skills, attention and memory.

Concerns about the prevalence of FASD in the remote and discrete communities were raised in submissions. For example:

*Amnesty International has heard repeatedly from communities, service providers and government about limited access to diagnosis for FASD. The effects that this has on ATSI [Indigenous] children, particularly as an identified contributing factor towards the overrepresentation in the justice system, must be taken into consideration in the delivery of services in remote and discrete Indigenous communities. (Amnesty International Australia sub. 13, p. 3)*

The need for some form of antenatal intervention was canvassed:

*FASD is prevalent in remote Aboriginal communities. Some form of ante-natal intervention is warranted. Current legislation does not provide services any opportunity for intervention in situations where pregnant mothers-to-be are clearly consuming alcohol at levels harmful to the unborn foetus. At what point does this activity constitute knowledgeable and avoidable harm such that some loss of liberty is warranted. Consideration could be given to prioritising family rehabilitation for families with expectant mothers at venues such as the Cape York Family Centre near Cooktown. (Hannan sub. 24, p. 4)*

FASD can have adverse, life-long consequences including inappropriate sexual behaviour, crime, psychiatric problems and alcohol and drug abuse. Lack of early diagnosis (before 12 years of age) has been indicated as one of the strongest correlations with adverse outcomes (Streissguth et al. 2004).

The prevention of FASD can improve mental health of children including intellectual, cognitive and learning abilities, speech and language, and behaviour and emotional wellbeing. This requires working with communities to inform and underpin interventions with an understanding of the complexities of alcohol consumption during pregnancy. Early detection of FASD to prevent secondary disabilities such as mental health problems and chronic diseases is also important.

## What works: Community health assessment

Remote and discrete Aboriginal and Torres Strait Islander communities are highly diverse, suggesting a one-size-fits-all approach is unlikely to be successful. A way to manage this is for local people to be engaged in the development of measures so that they reflect local needs and characteristics. Good information is needed about the current health status of the community, and factors that will influence that health status, to effectively plan and prioritise services. An assessment of a community's health can help the community to work with professional organisations and service providers in prioritising appropriate prevention activities and response services. Community health assessments are outlined in Box 17.6.

### Box 17.6 Community health assessment

A community health assessment is a process of community engagement including:

- collection and interpretation of data on health outcomes, correlates and determinants
- identification of health disparities
- identification of resources that can be used to address priority needs.

The assessment is informed by a common set of health status metrics to:

- facilitate comparisons across populations
- promote collaboration between organisations conducting assessments
- assist in establishing a shared understanding of the factors that influence health
- help to galvanise residents to work collaboratively to improve community health.

Source: CDCP 2013, p. 1.

A partnership approach informed by a community health assessment can address existing problems in an effective and prioritised way that makes the best, most cost-effective health choices possible (CDCP 2013, p. 1).

## Accessibility

Access to primary health care is critical for improving health outcomes. Mortality data suggests that in remote areas, fewer chronic diseases are detected before advanced presentation, representing significant inequality in access to appropriate and timely diagnostic and treatment services (NRHA Inc n.d., p. 1). Issues with access to health care lead to poorer health outcomes as diagnosis and management of conditions is delayed.

*When Indigenous people are diagnosed with cancer, it's usually late stage cancer, which means survival rates are lower. Screening rates are a lot lower for Indigenous people. (Dr Al-Yaman, in Hunter & Gordon 2017)*

Models of health care are needed that maximise participation by Aboriginal and Torres Strait Islander people. Even though remote living Aboriginal and Torres Strait Islander people suffer a burden of disease 2.4 times greater than the non-Indigenous Queensland population, their access to many services is significantly lower than for the general population (QAIHC 2011, p. 9). The accessibility of health services to communities is influenced by the effectiveness of the health workforce, barriers to cultural safety, the level of involvement of communities in planning and program design and delivery, and the degree to which services are effectively integrated (Queensland Health 2015, p. 9).

## Health workforce

Organisations delivering services in remote areas have specific workforce challenges, including attracting and retaining people with the skills and experience needed to deliver complex services, connectivity and access to training (Queensland Government sub. 27, p. 9). Because of workforce shortages across many health professional groups in remote and discrete communities, people are frequently unable to access the health care they need at the time they need it—if at all. Combined with greater health need and socioeconomic disadvantage, poorer access to primary care leads to increases in hospitalisations that might have otherwise been preventable.

Workforce challenges have two aspects—the relatively small number of Indigenous people in the health workforce and the shortages of workers, particularly health professionals. An overview of the health workforce and issues of shortages in remote communities is at Box 17.7.

### Box 17.7 Health workforce

#### General practitioners (GPs)

- GPs in very remote areas are half the number per capita compared to major cities.
- Remote GPs work longer hours and perform a broader range of tasks due to fewer other health professionals being available.
- Limited access to quality and timely primary care through a local GP leads to a higher prevalence of chronic disease.

#### Nurses

- They are often the first point of contact for a range of primary care functions that would normally be provided by GPs, specialists and allied health professionals.
- They are often the sole primary care provider in the community.
- Nurses are frequently required to extend their skills due to the diverse health needs of their community and the lack of any other form of health personnel support.

#### Aboriginal health workers (AHW)

- AHW comprise only 1.4 per cent of the health workforce, while Aboriginal and Torres Strait Islander people make up 3.5 per cent of the population (Qld).
- They are often the first point of contact in the primary care setting.
- AHW are critical and integral to ensuring culturally appropriate, effective health services.

#### Allied health professionals

- They play a vital role in the prevention and management of chronic disease.

- Examples of these professionals are dietitians, diabetes educators, exercise physiologists.
- There are less than half the number of allied health professionals in remote/very remote areas compared to major cities.

#### Dental professionals

- Dentists, dental hygienists, dental therapists, dental prosthetists and oral health therapists are classified as dental professionals.
- People living in remote/very remote areas have significantly poorer oral health and limited access to dental services—around one-third the number of dentists compared to major cities.
- Poorer oral health has been linked to a greater risk of cardiovascular disease, diabetes and respiratory illnesses.

Source: NRHA Inc n.d., pp. 3–5.

The need to 'train and recognise an Indigenous health workforce and a workforce for Indigenous health, and up-skill our health workforce to provide culturally appropriate services' has been identified by the Health and Hospitals Reform Commission (QAIHC 2011, p. 19). Existing training is also unlikely to support health, mental health providers and institutions (such as aged-care facilities) to respond effectively to the increasing distress Stolen Generations and their descendants might experience by coming into contact with these services, often agents of harm from their past (Anderson & Tilton 2017, p. 30).

Greater Indigenous representation in the health workforce would go a long way to solving these issues. Indigenous health workers are recognised to be immensely important to the health and wellbeing of Aboriginal and Torres Strait Islander people and their communities. Their significance to the engagement of communities in their own primary health care is recognised nationally and internationally (QAIHC 2011, p. 10). Substantial gaps in Indigenous participation in the health workforce pose a major challenge to achieving health outcomes.

#### What works—increase the workforce capacity

The National Rural Health Alliance identified innovative chronic disease prevention and management programs being trialled or run in rural Australia that could complement initiatives to increase workforce capacity. For example, upskilling local staff, usually nurses, so that they could provide pulmonary rehabilitation to local patients, was found to be effective—rural and remote patients with chronic lung disease were able to access treatment previously unavailable to them, and patient outcomes were improved (NRHA Inc n.d., p. 16).

Other options include: recognition of lived experience or life skill where formal qualifications do not exist; support and incentives for current workers to access higher education including traineeships and on the job training; and increased opportunities for Aboriginal and Torres Strait Islander people to apply for identified positions (ADA Australia sub. DR6, p. 3). Person-centred care (below) that enables more people to self-manage chronic conditions would have the combined benefits of better outcomes for patients and freeing up health workforce capacity.

#### What works—interventions outside the health system

Significant health benefits also stand to be gained through interventions outside the health system. For example, involving Aboriginal people in land management has been found to improve health outcomes and reduce the costs of primary care. After adjusting for relevant sociodemographic factors and health behaviours, it was found that Aboriginal people involved in land management had significantly less chance of developing diabetes, kidney disease and high blood pressure (NRHA Inc n.d., p. 17).

### Barriers to cultural safety

Research has shown that in Australia, culturally unsafe healthcare practices contribute to negative health outcomes for Indigenous Australians.

*Where "business as usual" health care is perceived as demeaning or disempowering – that is, deemed racist or culturally unsafe – it may significantly reduce treatment adherence or result in complete disengagement, even when this may be life threatening. (Lavery et al. 2017, p. 15)*

A high rate of hospital discharge against medical advice (8 times higher in Aboriginal peoples than non-Indigenous Australians) is an indirect indicator of the cultural responsiveness of hospitals.

Barriers to cultural safety in the Australian healthcare sector include an inadvertent reliance on stereotypes, language difficulties and the inherent power imbalance between provider and patient. Aboriginal peoples have been found to have fewer opportunities to voice their concerns, and limited opportunity to engage as partners in decision-making about their care (Couzos & Delaney Thiele 2016). These factors are often exacerbated by, or occur alongside, a lack of understanding about Indigenous concepts of wellness.

Cultural safety results where recipients are empowered in their interactions with the health care system, and there is a patient-centred approach involving them in decision making as part of a team effort. Culturally safe care is mindful of and responsive to difference (Lavery et al. 2017). For example, Schultz (in Lavery et al. 2017) notes that the connection between Indigenous Australians and their country has long been overlooked in healthcare settings. Issues of cultural safety and the accessibility of renal care were raised by stakeholders to this inquiry, and echoed in the work of the Menzies School of Health Research (Box 17.8).

## Box 17.8 Renal care

Stakeholders to this inquiry have raised issues about access to renal care.

Diabetes is prevalent in the remote and discrete communities, and can lead to chronic kidney disease (CKD) and renal failure. Most haemodialysis<sup>69</sup> services are far from community.

A study by the Menzies School of Health Research (MSHR) found that many Indigenous kidney disease patients abandon dialysis due to the difficulty of dislocation from their community, culture and country—they think that dying would be a more satisfactory option (Marks 2017).

The MSHR reported that patients and carers did not believe the current models of renal care were fit-for-purpose. Patients identified the tremendous healing provided by being in their lands, in those places where they have real status as persons (as opposed to 'factory line' patient). They called for:

- renal care close to home that must provide cultural safety and include a workforce membership from their own community
- a strengthened partnership with primary health care and meaningful health promotion in relation to chronic disease awareness and education (Hughes et al. 2017).

The MSHR recommends an overhaul of the system. Better patient outcomes would be achieved by locating dialysis chairs in communities, and teaching patients how to manage their disease themselves.

There is potential to reduce costs—peritoneal, home or even satellite haemodialysis could all deliver savings compared to haemodialysis delivered in hospitals (KHA 2016).

<sup>69</sup> Haemodialysis is a medical procedure to remove fluid and waste products from the blood and to correct electrolyte imbalances. This is accomplished using a machine and a dialyzer, also referred to as an "artificial kidney". Haemodialysis is used to treat both acute (temporary) and chronic (permanent) kidney failure.

Recommended responses are to increase Aboriginal and Torres Strait Islander representation in governance and in the health workforce and move to more community control of primary health. Increased public accountability for Indigenous health outcomes, and mandated standards of organisational change may be necessary to overcome barriers thrown up by institutional resistance, evident in gatekeeping, marginalisation or underfunding (ADCQ 2017; Laverty et al. 2017).

## Community control and integration of services

Many Aboriginal and Torres Strait Islanders in remote and discrete communities have complex health needs requiring access to multiple services in a wide range of areas including health, housing and community supports. The Commission was told that having to retell their story to multiple service providers and workers is difficult, and creates barriers to access and effective service delivery. Some services do not wish to collaborate with others, for example by referral, due to concerns regarding access to funding. Services could better work together in a collaborative approach that puts the needs of the service user at the centre (QMHC 2016, p. 13).

### Primary health care

Increased community control in the design, delivery and monitoring of primary health care services can lead to innovative service delivery and is recognised to be a key factor for improving Indigenous health indicators (Reeve et al. 2015; Tsey et al. 2006). Culturally effective programs designed and delivered by the local community have demonstrated improved uptake and outcomes. For example, Lavoie et al (2010) found that communities with better local access to primary health care consistently show lower rates of Ambulatory Care Sensitive Conditions (ACSC),<sup>70</sup> and the longer community health services have been under community control, the lower its ACSC rate.

By accessing better primary health care services, communities may achieve better prevention, early intervention and management of health conditions, fewer preventable hospital admissions and long-term health gains (Queensland Government 2011, p. 7). The importance of an increased focus on primary health care in the remote and discrete communities is evident in the following examples (Box 17.9).

---

<sup>70</sup> Ambulatory Care Sensitive Conditions are defined as "those diagnoses for which timely and effective outpatient [primary] care can help to reduce the risks of hospitalization by either preventing the onset of an illness or conditions, controlling an acute episodic illness or conditions, or managing a chronic disease or condition" Billings et al. 1993, in Lavoie et al. 2010, p. 2.

## Box 17.9 The importance of primary health care (PHC)

Effective primary health care can help prevent:

- Acute rheumatic fever/rheumatic heart disease. It starts as a Group A Streptococcal infection of the throat (and perhaps skin) which may result from overcrowding and poorly functioning health hardware in housing. Lack of access to appropriate PHC limits early preventive treatment and facilitates the development of acute rheumatic fever. Continuing lack of access to appropriate PHC further exacerbates this issue culminating in rheumatic heart disease, an expensive and complex disease that contributes to the life expectancy gap in ATSI communities.
- Chronic kidney disease (CKD). If CKD is detected early and managed appropriately, then the otherwise inevitable deterioration in kidney function can be reduced by as much as 50% and may even be reversible.
- Persistent and recurring ear infections, which may lead to hearing loss if not appropriately followed up in PHC. They can result in learning difficulties and involvement with the criminal justice system/incarceration. The Deadly Ears program delivers culturally effective hearing and ear health services for Aboriginal and Torres Strait Islander children in Queensland.
- Syphilis. A syphilis epidemic that started in North Queensland Indigenous population in 2011 has since spread to the Northern Territory, Western Australia and South Australia. It has caused congenital deaths and abnormalities, and has been linked to rising Human Immunodeficiency Virus (HIV) rates. Syphilis is preventable and controllable; the epidemic signals a failure in the PHC system.

Sources: AIHIN 2017; KHA 2016; QAIHC sub. DR16.

The Australian Productivity Commission (PC 2017d, p. 11) recently highlighted the importance of a shift to patient-centred care (PCC):

*All Australian governments should re-configure the health care system around the principles of patient-centred care, with this implemented within a five-year timeframe.*

Health care providers who are orientated to PCC can enhance their patient's capacity for chronic disease self-management, and are more likely to satisfy their patients, and improve the quality of life. PCC can deliver concomitant reductions in mortality, improved shared decision-making to reduce antibiotic overprescribing, and reductions in hospitalisation (Coxeter et al. 2015; Heneghan et al. 2016; Ory et al. n.d.).

Aboriginal and Torres Strait Islander Community Control Health Services deliver patient-centred, primary health care (PHC) through their community-controlled health service model.

### **Aboriginal and Torres Strait Islander Community Controlled Health Organisations**

Aboriginal Community Controlled Health Organisations (ACCHOs) have demonstrated the effectiveness of the community-controlled model (Box 17.10).

## **Box 17.10 Aboriginal Community Controlled Health Organisations**

More than 150 ACCHOs across Australia are responsible for managing and delivering comprehensive and culturally appropriate primary health services to their communities. The ACCHO model of integrated care is in keeping with the philosophy of Aboriginal holistic health.

An assessment of the Aboriginal community controlled health services found they have reduced unintentional racism and barriers to access to health care, and are progressively improving individual health outcomes for Aboriginal people.

Primary health care data show the ACCHOs are consistently improving performance in key performance on best-practice care indicators, and demonstrate superior performance to mainstream general practice.

ACCHOs also play a substantial role in training the medical workforce and employing Aboriginal people.

ACCHOs are funded by the Commonwealth through the Medical Benefits Scheme and block grant funding, though they have faced a loss of funding for their policy role which is seen to be a critical element of their success.

With commensurate and secure funding arrangements, ACCHOs are an effective model for all levels of government to re-think the way they work with Indigenous communities.

*Source: DPMC 2015; Panaretto et al. 2014.*

ACCHOs play a critical role in supporting community decision making, participation and engagement in health care. This is fundamental to effective primary health care and ensures that services are provided to meet community needs in a holistic and culturally appropriate way (QAIHC 2011, p. 28). The model of care is team-based more so than general practitioner-focused. Care is patient-and-family-focused, with significant physician input and integration with allied health specialists, mental health professionals and community services (Panaretto et al. 2014, p. 649). Broader benefits of community controlled health services include greater local participation in the health workforce, and improved self-determination and empowerment of Aboriginal and Torres Strait Islander people and communities.

The Queensland Government and Apunipima Cape York Health Council are progressively transitioning some Cape York primary health care services to community control (Chapter 8). Effective transition of healthcare services to community control is critical to ensure constancy of care. In Australia, unrealistic timeframes, underdeveloped change management processes, inflexible funding agreements and distrust have complicated the implementation process (Lavoie & Dwyer 2016). The transfer of clinical or patient notes, and retention of at least some of the health care staff after transfer to community control are important to ensure continuity (Lavoie et al. 2010). Stakeholders to this inquiry have highlighted such issues in relation to the transfer of some primary health care services to community control in Cape York, for example:

*just the way it's set up and the politics behind it and what they've been allowed to take over or what they've been allowed to get funding for has not allowed them to provide comprehensive primary health care ... some of the organisations really did get set up to fail and they don't get given the resources they need to do the job properly ... (Wieland sub. DR21, p. 2)*

Lessons from Canada point to the need for a firm long-term commitment to transition, adequate resourcing of communities to support change management, and accountability frameworks tailored to the Indigenous primary health care context (Lavoie & Dwyer 2016).

## Mental health care accessibility

Stakeholders to this inquiry have raised issues with the accessibility of some mainstream mental health services. Barriers include inappropriate models of care, and a lack of clear funding processes for preferred community-controlled models of care (Anderson & Tilton 2017, p. 43). Concerns regarding mental health services accessibility were raised by the Lockhart River Aboriginal Shire Council (Box 17.11).

### Box 17.11 Accessibility of mental health services

The CEO of Lockhart River Aboriginal Shire Council believes there are problems with accessibility and raises the issue of a mental health counselling service where the three practitioners fly in on a Monday and fly out on a Friday. Their office is located within public view near to the local store.

The CEO indicated:

*To be effective mental health counsellors you need to mix with and get to understand the community ... where the risks might lie ... you need to get out of the office and do the vital outreach needed for a vibrant health service ... not sit in an office and wait for community members to come to you ... people feel shamed and don't want to be seen entering the office.*

He also raised the concept of 'efficiency dividend', questioning the cost of fly in, fly out counsellors (for example, \$1,100 return airfare per person every week) and asking at what point in time it becomes more efficient to fund a full-time mental health counsellor living within the community.

*Lockhart River Aboriginal Shire Council has experienced significant trauma, a suicide, rape, and domestic violence in recent months, and needs a commitment to "on the ground" service provision. Mental health issues do not just arise on Tuesday to Thursday of each week. This community has been traumatised and needs support.*

Source: LGAQ sub. 14, p. 8.

The National Centre for Family Wellbeing describes wellbeing as:

*The concept of social and emotional wellbeing (SEWB) merges the population health paradigm and an Indigenous Australian worldview in which spirituality is recognised as a key element of health. SEWB is premised on Indigenous views of health as holistic, involving spiritual, social, emotional, cultural, physical and mental wellbeing, and issues related to land and way of life. It supports the view that Indigenous health inevitably relates to colonisation, history, racism and social factors, all of which need to be addressed as part of effective service delivery. (NCFW sub. 16, p. 1)*

Examples of SEWB protective factors include:

*cultural continuity, self-determination and community control, good mental health and wellbeing, social support, resilience, problem solving skills and strategies for coping with stress. (NCFW sub. 16, p. 2)*

Risk factors include:

*cultural or religious conflicts, no social support networks, at risk mental status, recent interpersonal crisis, loss or trauma, family breakdown, child custody issues, influence of alcohol or drugs, difficulty accessing help; financial difficulties, unemployment, legal prosecution, illness. (NCFW sub. 16, p. 2)*

Early intervention and management of mental health and substance use are critical to prevent exacerbation of symptoms (Queensland Health 2017b, p. 31). Yet it is recognised that the provision of mental health services for Aboriginal and Torres Strait Islander people is both inadequate and inappropriate (NMHC 2012, in Dudgeon et al. 2014, p. 2).

Conventional mental health services may not fully meet the Aboriginal and Torres Strait Islanders' holistic view of health and wellbeing, incorporating differing cultural values and needs than the mainstream. This means that even where mental health services are physically available in a community, the level of access by Aboriginal and Torres Strait Islanders is unlikely to reflect the level of need (Queensland Health 2017b, p. 32).

The accessibility of rehabilitation services was also raised as an issue:

*Rehabilitation centres are difficult to access. Centres servicing Cape York are in Yarrabah and Townsville and this requires a long and expensive journey. Also the removal from country impacts the individual emotionally. A rehab centre located more centrally on Cape York and near bushland rather than the trappings of large cities would have benefit ... (Hannan sub. 24)*

## What works—mental health and wellbeing

Effective strategies to strengthen the mental health and wellbeing of Aboriginal and Torres Strait Islander people are identified in Box 17.12.

## Box 17.12 Characteristics of mental health programs that work

Programs that show promising results for Indigenous social and emotional wellbeing are those that encourage self-determination and community governance, reconnection and community life, and restoration and community resilience.

- Important features include a holistic approach; focus on recovery and healing; empowering people to regain a sense of control and mastery over their lives; strategies that are Indigenous-led, family-focused, culturally responsive, and context-specific; interdisciplinary approaches that provide outreach services and transport; partnerships with ACCHOs and local communities.
- There is evidence that both mainstream and Indigenous-specific programs and services that adhere to principles of engagement, access, integration and accountability are more effective.
- Programs that involve Indigenous families and communities in developing, implementing and evaluating programs tend to foster a more culturally responsive and safe environment for users.
- engaging in cultural activities is an indicator of positive cultural identity that is associated with better mental health among Indigenous Australians.

Source: Dudgeon et al. 2014, p. 2.

Health and wellbeing services that are designed and delivered either in a real partnership with communities, or wholly by communities, have been recognised to effectively improve the social and emotional wellbeing of Aboriginal and Torres Strait Islanders. Models demonstrated to be effective include the Cape York Wellbeing Centres, integration of wellbeing and primary health care services, and the Family Wellbeing Program.

### Cape York Wellbeing Centres

Jointly funded by the Australian and Queensland Governments, the four Wellbeing Centres (WBCs) were established to contribute to the change in behavioural and social norms, through culturally appropriate services that assist individuals and their families to maintain or return to positive social and emotional wellbeing. The WBCs focussed on issues such as drug and alcohol misuse, gambling, mental health and wellbeing, and family violence. Activities were guided by Local Advisory Groups, local staff members, Elders and other community stakeholders to reflect the specific community needs.

An evaluation commissioned by the Australian Government found that the WBCs had a clinically and statistically significant positive effect on the mental health on their clients. Anecdotally, individual change was having a positive effect on some families within the communities. However, the evaluation noted ‘there can be no quick fix to rectify challenges that have been decades in the making’. It was considered unlikely that sustained significant change would be observed at the community level unless there was another significant positive enabler of change in the communities, for example the availability of employment. The evaluation report recommended that the WBCs be integrated within a primary health care setting, to improve service delivery and client referral, reducing service duplication and improving performance monitoring (HOI 2014).

In 2017 the WBCs were transitioned to Apunipima to be delivered under a community controlled model of care.

## Family Wellbeing Program

The Family Wellbeing Program (FWB) was initially started in 1998 in South Australia by a group from the Stolen Generations. It has been adapted by the Apunipima Cape York Health Council to meet the specific needs of Cape York communities. FWB is premised on the concept that efforts to close the gaps should start with personal development and capacity enhancement (The Lowitja Institute 2015). Participants learn a range of practical techniques that can be applied to everyday living and develop the confidence to address their personal, family and community wellbeing.

Efficacy of the FWB program has been established in an evaluation by the University of Queensland and James Cook University. Most participants were better able to manage change, support others and remain focused on the future:

*we can help them now, we've got the strength back – some of it.*

*[FWB]... helps you understand yourself you know to take one thing at a time – you can't just take a big sledge hammer and smash the rock. You've got to chip away be chipping away at it. It's the same in life. FWB will help you to understand that. (Tsey et al. 2006, pp. 37–38)*

Positive individual, family and community outcomes were identified, with reductions in domestic violence, alcohol and drug abuse, suicide, school absenteeism and welfare dependence, and improved education and employment outcomes. Health and wellbeing improvements included diet, physical activity, alcohol and smoking.

## 17.4 Conclusion

Up to half of the health gap between Indigenous and non-Indigenous Australians is estimated to be attributable to social determinants, meaning that much of the work to improve health inequities lies beyond the health sector. Closing the health gap requires simultaneous effort to address socioeconomic determinants of health including housing, education and employment. While some progress is being made, there is an opportunity to change practices to better meet the needs of communities, families and individuals.

A localised planning and delivery approach is more likely to achieve health and wellbeing improvements. Community health assessments would enable better planning of health services, reduce duplication and enable gaps to be identified and addressed. Effective prioritisation of services would make more cost-effective health choices possible. Improved access to local primary health care services, with a patient-centred care focus, can deliver better prevention, early intervention and management of health conditions, fewer preventable hospital admissions and long-term health gains. Cultural accessibility of services can be enhanced by attracting and retaining an effective workforce, with career pathways for Aboriginal and Torres Strait Islander staff.

Aboriginal and Torres Strait Islanders can have complex health needs that require access to multiple services in a range of areas including health, housing and community supports. Services could be better integrated to improve service delivery and client referral, reduce duplication and improve performance monitoring. Increased collaboration between government and non-government service providers would also promote better integration of services, for example, by improving transition care arrangements such as discharge planning, transfer of patient records and follow-up care.

Improving Indigenous wellbeing means tackling more than just physical illness. Accessibility and effectiveness of health services can be improved with models of service delivery that include social and emotional wellbeing services in a primary health care setting. The Aboriginal and Torres Strait Islander Community Controlled Health Organisations demonstrate an effective model providing effective, culturally appropriate and multidisciplinary models of comprehensive primary healthcare.

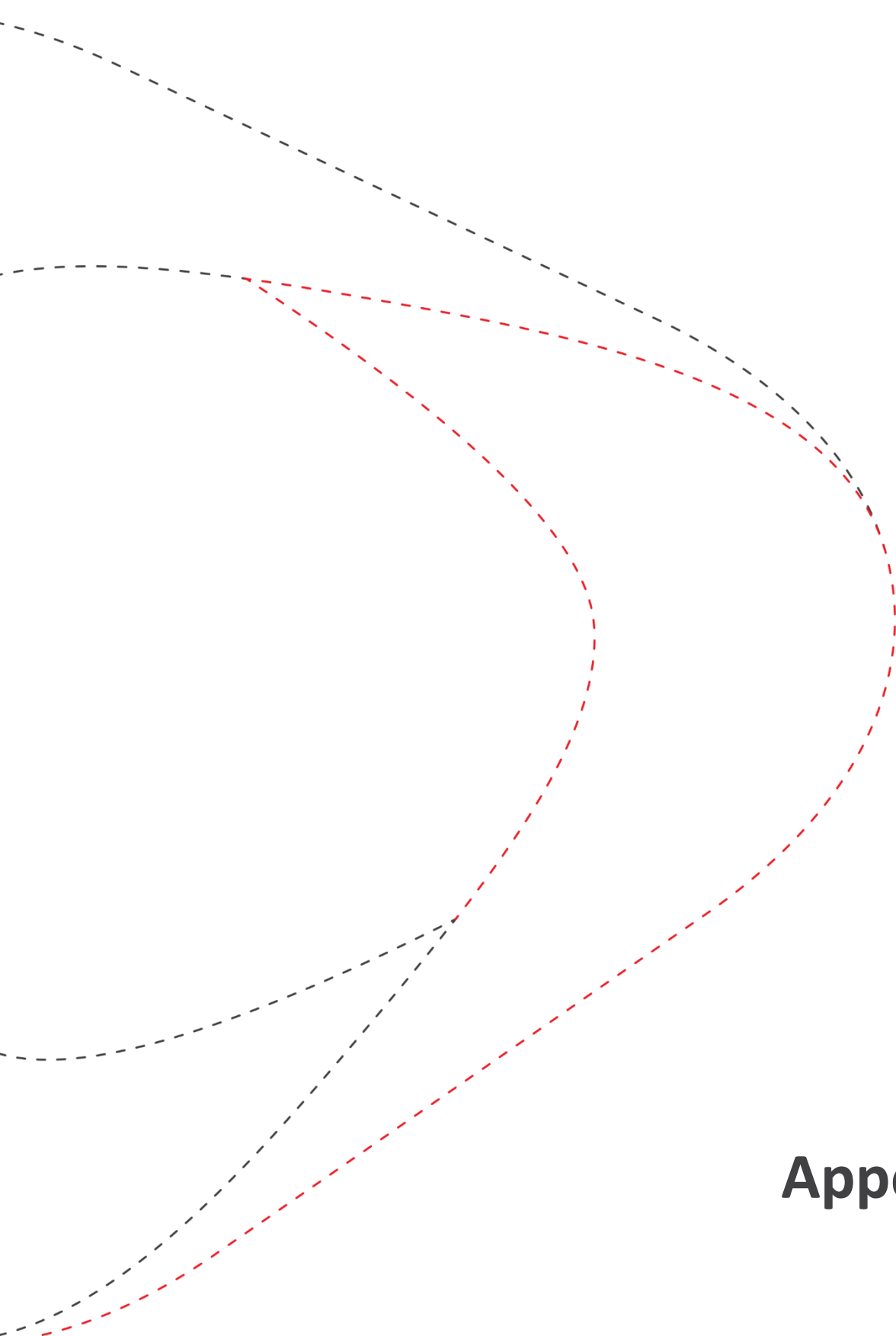
The reforms proposed by this inquiry can provide an enabling environment for stakeholders to develop collaborative and flexible solutions to these challenges.

---

## Recommendation 22

All stakeholders should address opportunities to improve health and wellbeing services through:

- a greater focus on prevention and early intervention, including strategies to address: socioeconomic determinants of health, suicide, Foetal Alcohol Syndrome Disorder and disabilities
  - individual and community input to prioritise, design and deliver services, based on data-informed community health assessments to address:
    - accessibility, cultural appropriateness and effectiveness
    - attraction and retention of an effective health workforce, including growing and supporting the Aboriginal and Torres Strait Islander health workforce
    - better integration of services through increased collaboration with non-government health service providers (particularly Aboriginal Community Controlled Health Organisations (ACCHOs)) and improved transition care arrangements
    - improved pathways and access to mental health and substance services
    - gaps in responses to suicide, disabilities and Foetal Alcohol Syndrome Disorder.
-



# Appendices

## Appendix A: Terms of reference

### Inquiry into service delivery in Indigenous communities

In accordance with section 23 of the Queensland Productivity Commission Act 2015, I hereby direct the Commission to undertake an inquiry into service delivery in remote and discrete Aboriginal and Torres Strait Islander communities.

#### Background

The Queensland Government invests significantly in Aboriginal and Torres Strait Islander communities delivering policies, programs and services across areas such as child and family services, health, education and training, employment, housing, community safety, native title, and land management.

The Government's objective is to increase social and economic participation and achieve service outcomes that meet the needs of Aboriginal and Torres Strait Islander communities by ensuring that high quality services are delivered in a culturally capable, timely, affordable, efficient and effective manner.

The focus of the inquiry is to identify how available resources can be best used to support the achievement of this objective, and improve outcomes for remote and discrete Aboriginal and Torres Strait Islander communities.

As well as a quantitative assessment of investment, the inquiry will benefit from the Commission's expertise in undertaking in-depth consultation with Aboriginal peoples, Torres Strait Islander peoples and other stakeholders to inform a qualitative assessment of service delivery and outcomes for remote and discrete Aboriginal and Torres Strait Islander communities. The inquiry should also consider the experience of other jurisdictions, and available literature.

#### Scope

The Commission is requested to undertake an inquiry into service delivery in Queensland's remote and discrete Aboriginal and Torres Strait Islander communities in undertaking the inquiry, the Commission should investigate and report on:

- The levels and patterns of government investment in services to remote and discrete Aboriginal and Torres Strait Islander communities in Queensland, including key drivers of expenditures and how these have, and are likely to, change over time;
- Interactions between investments made by State, Commonwealth, and local governments, as well as the private sector, including the role of third party service providers;
- The range of service delivery programs in remote and discrete Aboriginal and Torres Strait Islander communities, whether programs are related to response, management and/or prevention and early intervention, and whether there is duplication or a lack of coordination across programs;
- Best practice approaches for evaluating the effectiveness and efficiency of service delivery in remote and discrete Aboriginal and Torres Strait Islander communities. This should include a program evaluation framework that can be used to assess the effectiveness and efficiency of service delivery in remote and discrete Aboriginal and Torres Strait Islander communities, and inform future Government investment;
- An evaluation of the design and delivery of existing Government services, including whether services are based on good practice, are co-designed with communities, delivered in a culturally capable way, and maximise opportunities for building local skills and jobs. Where appropriate, case studies may be used to demonstrate if, and how, existing services are supporting improved outcomes for remote and discrete Aboriginal and Torres Strait Islander communities;
- The identification of investment practices and/or services and programs that are likely to be most effective in improving outcomes for remote and discrete Aboriginal and Torres Strait Islander communities, and the key characteristics of those programs;

- Comparisons with relevant services delivered in other jurisdictions, or other benchmarks from available literature; and
- Recommendations to improve the effectiveness and efficiency of Queensland Government investments and services in achieving social, cultural, economic, and environmental outcomes in remote and discrete Aboriginal and Torres Strait Islander communities.

### Consultation

In accordance with section 25 of the Queensland Productivity Commission Act 2015, the Commission must undertake public consultation in relation to the Inquiry. This should include in-depth consultation with remote and discrete Aboriginal and Torres Strait Islander communities and other key stakeholders.

#### Reporting

The Commission is required to publish a Draft Report for consultation by 31 August 2017.

The Final Report must be provided to Government by 30 November 2017.



HON. CURTIS PITT MP

Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Minister for Sport

**The Final Report must be provided to Government by 22 December 2017.**

## Appendix B: Submissions

Individual or organisation	Submission number	
School of Social Sciences – University of Tasmania	001	
Barambah Local Justice Group	002	
Cairns Regional Council	003	
Apunipima Cape York Health Council	004	
Woorabinda Aboriginal and Torres Strait Islander Corp for Social & Emotional Wellbeing and Health	005	
Department of Transport and Main Roads	006	
Janya McCalman (CQ University), Ross Andrews (Mayor, Yarrabah Council), Ruth Fagan (Transition Manager, Gurriny Yealamucka Health Service, Yarrabah)	007	
Torres Strait Islanders’ Regional Education Council (TSIREC)	008	
Centre for Indigenous Health Equity Research, CQ University	009	
General Practice Qld Ltd t/a CheckUP	010	
Yarrabah Aboriginal Shire Council	011	
Torres Strait Island Regional Council (TSIRC)	012	
Amnesty International Australia	013	
Local Government Association of Queensland (LGAQ)	014	DR-012
Queensland Family and Child Commission (QFCC)—Confidential	015	
National Centre for Family Wellbeing (NCFW)	016	
Indigenous Consumer Assistance Network (ICAN)	017	
Queensland Council of Social Service (QCOSS)	018	DR-011
Pau Enterprises Indigenous Corporation	019	
Cape York Land Council	020	DR-013
The Centre for Independent Studies (CIS)	021	
Torres Strait Regional Authority (TSRA)	022	
North West Queensland Indigenous Catholic Social Services (NWQICSS)	023	
Alexander John Hannan	024	
Burke Shire Council	025	DR-018

Individual or organisation	Submission number	
Cape York Institute	026	DR-015
Queensland Government	027	
School of Public Health – The University of Queensland	028	
Palm Island Community Company	029	
Chris Chappell		DR-001
Gladys Willis		DR-002
Russell Wheeler—Confidential		DR-003
UnitingCare Qld		DR-004
University of Queensland		DR-005
Aged and Disability Advocacy Australia & Aboriginal and Torres Strait Islander Disability Network of Qld		DR-006
Torres Shire Council		DR-007
Churches of Christ		DR-008
Cloncurry Shire Council		DR-009
Jim Turnour		DR-010
Yarrabah Leaders Forum		DR-014
Queensland Aboriginal and Islander Health Council		DR-016
Hope Vale Congress Aboriginal Corporation		DR-017
Mark Moran (University of Queensland)		DR-019
Cairns Regional Council		DR-020
Dr Lara Wieland		DR-021

## Appendix C: Consultations

### Roundtables

The Commission held six roundtables during its consultations in Brisbane, Cairns, Cherbourg, Mt Isa, Palm Island and Torres Strait.

### Consultations and visits

Organisation
Aboriginal and Torres Strait Islander Legal Service
Aboriginal and Torres Strait Islander Partnerships
Apunipima Cape York Health Council
ATODS and Homeless Health
Bamanga Bubu Ngadimunku Inc
Barambah Justice Group
Bridges Health and Community Care
Burke Shire Council
Bwngcolman Indigenous Knowledge Centre
Campbell Page
Cape York Family Centre – Blue Care
Cape York Land Councils
Cape York Land Council – End Point objectives
Cape York Partnerships
Carpentaria Land Council Aboriginal Corporation
Cherbourg Council
Coen Justice Group
Community Justice Group (Mossman Gorge)
Department of Aboriginal and Torres Strait Islander Partnerships
Department of Aboriginal and Torres Strait Islander Partnerships – Cairns
Department of Aboriginal and Torres Strait Islander Partnerships – Regional Directors
Department of Aboriginal and Torres Strait Islander Partnerships – Remote Indigenous Land and Infrastructure Program Office
Department of Aboriginal and Torres Strait Islander Partnerships Social Policy

Organisation
Department of Communities, Child Safety and Disability Services
Department of Education and Training – Early Childhood Education
Department of Education and Training – Schools
Department of Education and Training – Training and Skills
Department of Housing and Public Works
Department of Housing and Public Works – Remote Indigenous Service Delivery Team
Department of Infrastructure, Local Government and Planning
Department of Justice and Attorney-General
Department of Justice and Attorney-General – Courts
Department of Justice and Attorney-General – Youth Justice
Department of Natural Resources and Mines
Department of Premier and Cabinet
Diversion Centre/Adult Patrol
Doomadgee Aboriginal Shire Council
Douglas Shire Council
Empowered Communities
Ex Royal Flying Doctor Service (Qld)
Family Responsibilities Commission
Ferdy's Haven Alcohol & Drug Rehabilitation Centre
Gindaja - Yarrabah
Graham House Community Centre
Griffith University
Gunggandji-Mandingalbay Yidinji Peoples PBC Aboriginal Corporation RNTBC
Gurriny Health - Yarrabah
Hope Vale and Cooktown tour
Injilinjji Aged Care
Jabalbina Yalanji Aboriginal Corporation
James Cook University

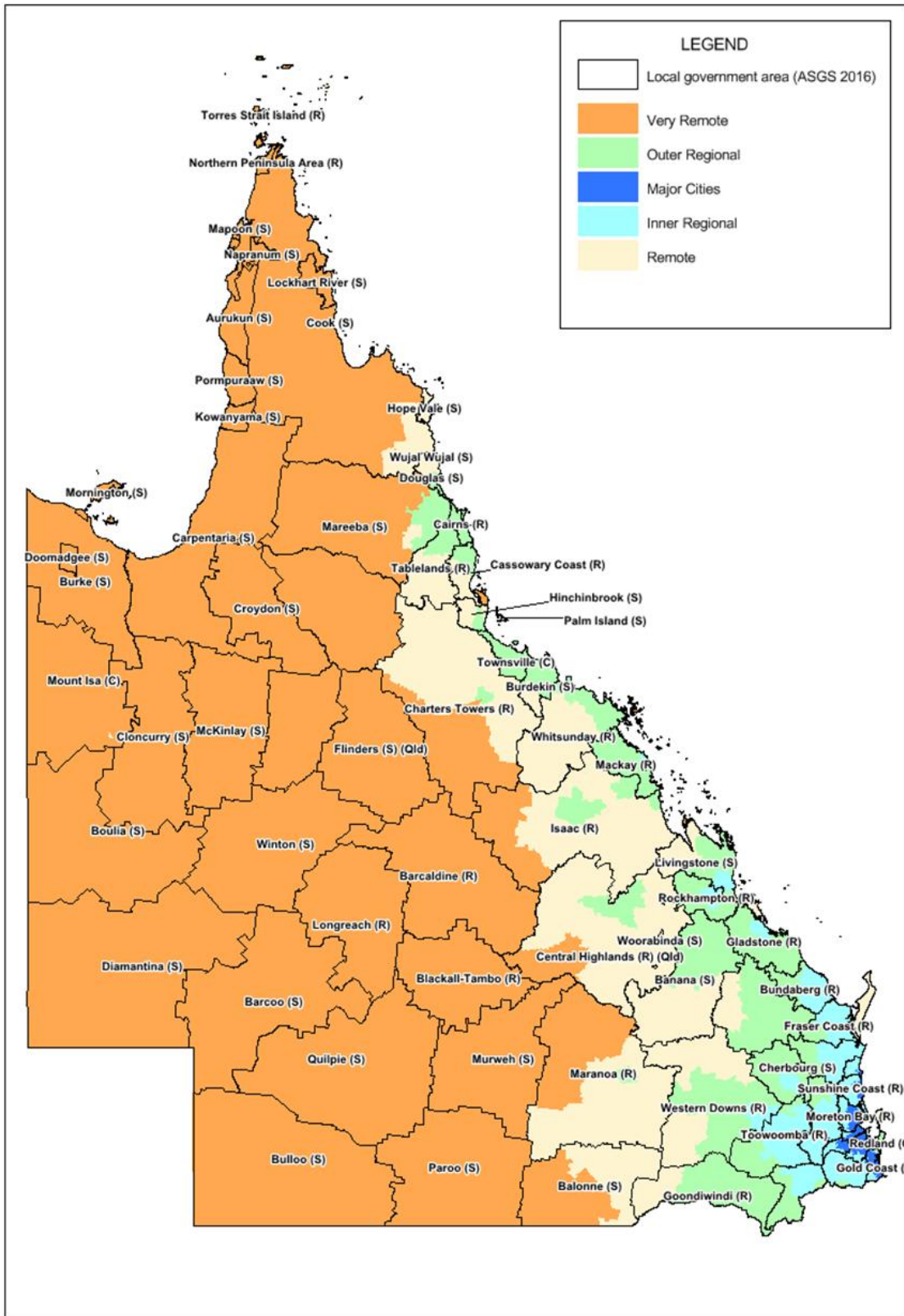
Organisation
Jimaylya Topsy Harry
Joyce Palmer Health Service
Kalkadoon Community Pty Ltd
Laurel Place
Lena Passi Women's Shelter
Local Government Association of Queensland Indigenous councils – mayors, CEOs
Lockhart River Council
Mandingalbay Yidinji Aboriginal Corporation
Meriba Mudh Hostel
Mossman Gorge Family Responsibilities Commission
Mount Isa Aboriginal Media Association
Mount Isa Family Support Service and Neighbourhood Centre
Mt Isa Flexible Learning Centre
Mura Kosker Sorority
Murdi Paaki
Murri Watch
National Disability Insurance Agency
New South Wales Department of Aboriginal Affairs
New South Wales Department of Premier and Cabinet
North Queensland Land Council
North West Queensland Indigenous Catholic Social Services
NPA State College
Palm Island Aboriginal Shire Council
Palm Island Community Company
Palm Island Community Company – Diversion service
Palm Island Community Justice Group
Palm Island Police Station
Palm Island Women's Services

Organisation
Police-Citizens Youth Club (PCYC)
Port Kennedy Association
Public Service Commission
Queensland Aboriginal and Torres Strait Islander Child Protection Peak
Queensland Council of Social Services
Queensland Family and Child Commission
Queensland Government Champions
Queensland Government Statisticians Office
Queensland Health
Queensland Health Aboriginal and Torres Strait Islander Health Branch
Queensland Police Services
Queensland Treasury
Remote Area Aboriginal and Torres Strait Islander Child Care
Residential Service and Family Intervention Service (Safe House)
Royal Flying Doctor Service - Cairns
Sandy Boyd Aged Care Centre
SOLAS Mental Health and Wellbeing
Spinifex State College
St Mary Mackillop Early Learning Centre
TAFE Queensland
The University of Queensland – Institute for Social Science Research
Torres Shire Council
Torres Strait Island Regional Council
Torres Strait Regional Authority
Training Connections Australia
YUMI Education
Yarrabah Aboriginal Shire Council
Yarrabah PBC

Organisation

Young People Ahead Youth Shelter

## Appendix D: Remote communities



## Appendix E: Population of selected remote and discrete communities

Community	Estimated residential population
Aurukun	1424
Cherbourg	1291
Doomadgee	1399
Hope Vale	1125
Kowanyama	1142
Lockhart River	548
Mapoon	294
Mornington	1225
Napranum	962
Northern Peninsula Area (NPA)	
Bamaga	1231
Injinoo	559
Seisia	240
New Mapoon	351
Umagico	333
Total NPA	2714
Palm Island	2671
Pormpuraaw	743
Torres	
Bamaga and Surrounds	19
Horn Island	610
Muralag and Inner Islands	94
Port Kennedy (Thursday Island)	1836
TRAWQ (Thursday Island)	1106
Total Torres	3665

Torres Strait Islands	
Badu Island	854
Boigu Island	227
Dauan Island	142
Erub (Darnley) Island	410
Hammond Island	249
Iama (Yam) Island	345
Kubin (Moa Island)	176
Mabuiag Island	283
Mer (Murray) Island	399
Poruma (Coconut) Island	163
Saibai Island	521
St Pauls (Moa Island)	281
Ugar (Stephens) Island	53
Warraber Island	274
Yorke Island	258
Total Torres Strait Islands	4635
Woorabinda	1001
Wujal Wujal	296
Coen	366
Mossman Gorge	98
Yarrabah	2686

Note: The list of discrete communities excludes some outstations, which may or may not have permanent populations.  
Source: QGSO, 2016

## Appendix F: Reforms and initiatives that devolve decision making

### Nationally

The Australian Government has recently committed to a new way of working with Indigenous leaders and communities (DPMC 2017).

Under this new approach, government's role is to move towards enabling and empowering Indigenous leaders and individuals and developing partnerships with communities. The intent is to foster a devolution of decision-making to local communities and organisations, and to move to a model of service delivery where both government and Indigenous people are accountable for the delivery of outcomes on the ground.

As part of this approach, in 2014, the Australian Government provided funding to a group of Indigenous leaders from eight regions around the country to develop a reform agenda. This resulted in the publication of an Empowered Communities Design (Empowered Communities 2015). Key recommendations were to establish a mechanism for devolving decision-making authority and accountability to Indigenous communities, establish the organisational arrangements to ensure delivery and to establish an evaluation model that allows for adaptive practice. The organisational arrangements to underpin the reforms included establishing:

- a delivery unit in DPMC
- backbone organisations in each of the participating regions
- representative bodies in each Indigenous community that opts in to the reforms
- an institutional umpire modelled on the Productivity Commission (the Indigenous Policy and Productivity Council).

The Australian Government has recently signalled its backing for the Empowered Communities approach, and is supporting the implementation of Empowered Communities in seven regions, including Cape York Peninsula. As part of the implementation, the Australian Government has provided \$14.4 million over three years from June 2016 to support 'backbone' organisations in each of the Empowered Community regions.

DPMC has made a public commitment to an adaptive learning approach to evaluation—as recommended in the Empowered Communities Design Report—however, there has been no commitment to the institutional reforms outlined in the report.

Corporate support for Empowered Communities occurs through Jawun, a not-for-profit organisation that mobilises the skilled resources of the corporate sector to enable Indigenous-led change (Jawun 2015).

## New South Wales

In 2011, the NSW Government established a Ministerial Taskforce to provide advice on possible areas of reform in education, employment and service delivery and accountability in Aboriginal Affairs. During consultations with Aboriginal communities and other key stakeholders expressed a strong desire for change and the need for government to build a genuine and sustainable partnership with Aboriginal communities and organisations.

One of the key recommendations of this taskforce was to establish a Local Decision Making model, with the aim of supporting community-led governance and regional decision making bodies to allow communities to direct and better coordinate services at a local level.

The Local Decision Making Model was trialled in several regions with communities opting in and building on existing governance capacities. One of the trial regions was undertaken with the Murdi Paaki Regional Assembly (see Box F.1). Under this trial an accord was developed which outlines a formal agreement between Murdi Paaki and the NSW Government about the priorities and service levels that will occur across several Indigenous communities in western NSW.

## South Australia

The South Australian Government established an Aboriginal Regional Authority Policy in 2016 following an extensive consultation process from 2013. The policy seeks to create a network of Aboriginal governing bodies charged with representing and advocating for their communities, driving regional priorities and facilitating economic growth (Department of State Development (SA) 2016).

Under this approach, the Minister will formally recognise an Aboriginal governance structure as an Aboriginal Regional Authority (ARA) through an expression of interest process. An ARA needs to demonstrate that it has strong governance structures and is representative of the Aboriginal people and organisations within a clear and supported boundary of operation.

Once recognised as an ARA, the governing body becomes the first point of contact for government. Under the policy, the South Australian Government agrees to enter into good faith negotiations with ARAs regarding program funding, joint activities and other support, which are to be formalised through agreements and reflected in departmental strategies and business plans.

Other than an initial grant of \$100,000 to ARAs once they are recognised, the South Australian Government currently has no other direct funding for the scheme.

## Victoria

In Victoria, Local Aboriginal Networks (LANs) bring Aboriginal people together at the local level to set priorities and develop community plans (Victorian Government 2015).

The LANs are voluntary community networks that operate on a relatively informal basis. Participants are able to opt in or out at any time. Since 2007, 39 LANs have been formed, with around 2,000 Aboriginal Victorians participating. Networks are facilitated by brokers employed by Aboriginal Victoria. Brokers facilitate LAN operations, broker relationships between LANs and local stakeholders and support the development and implementation of community plans.

The intent is for LANs to provide a means for the Victorian Government to engage with local communities. From this process of engagement, a five-year priority plan was developed.

## Box F.1 The NSW experience: Murdi Paaki Local Decision Making Accord

The Murdi Paaki Regional Assembly is the regional Aboriginal governance body representing the interests of a number of Aboriginal and Torres Strait Islander communities across western NSW. Murdi Paaki asserts the rights of its member communities to improved and more efficient service delivery and recognises the cultural authority of the Traditional Owner groups within the region and works to maintain the autonomy of these groups.

In 2015, the NSW Government and Murdi Paaki entered into a formal agreement to work together to achieve outcomes against five key priorities:

- affordable and appropriate housing
- economic development
- education
- early childhood services
- governance capacity and support (NSW Government; MPRA 2015).

The Accord details the actions, roles and responsibilities to support these priorities and how these will be measured. The agreement includes timelines for the completion of all actions in the agreement, but does not provide for any consequences should these not occur.

The Accord also provides for a monitoring and evaluation group to oversee the agreement. The agreement notes that a reporting and monitoring framework will be developed and included as a schedule to the Accord—however, at the time of writing, this had not been developed. The Accord states that outcomes and performance measures will be made public.

A dispute resolution panel, comprising representatives from the Assembly, and the Departments of Aboriginal Affairs, and Premier and Cabinet was formed to resolve any conflicts or disputes that arise out of the Accord.

An evaluation of the negotiation process found that, although the Accord was accepted by stakeholders as an improved way of coordinating effort, participants had concerns about its longevity. In particular:

- There was concern that government representatives did not have the appropriate delegations to make decisions.
- There were no pooled funds for which innovative solutions could be developed.
- Participants were concerned that the process was insufficient to change the way government does business with Indigenous communities (Aboriginal Affairs (NSW) 2012).

## The Torres Strait

The Torres Strait Regional Authority (TSRA) board consists of 20 members who are elected every four years by their respective communities. The board determines the TRSA's policies and budget allocations. The administrative arm of the organisation is comprised of staff who are Australian Government public servants. A CEO reports to and is appointed by the (Australian) Minister for Indigenous Affairs.

Although its activities are relatively constrained, it operates with a significant degree of autonomy:

*The TSRA is the only example of an Indigenous authority in Australia receiving a single direct appropriation in the form of a block grant to cover the entirety of its operations. There is a significant degree of autonomy and flexibility, compared with other funding modalities, allowing the TSRA to plan, self-govern resources, and monitor and evaluate outcomes, with one consolidated annual report. The single line appropriation of government revenue provides a far more streamlined administrative and reporting onus. The TSRA history is unique, and its fiscal relationship with the Commonwealth is best described as inter-governmental, similar in status to an Australian state or territory. (Moran et al. 2014, p .40)*

In 2009, the TSRA initiated a Service Delivery project, which worked with individual communities to map and identified service gaps across the Torres region (TSRA 2009) This mapping exercise was developed into community-level plans, with reporting on progress towards closing service gaps. The plans identify 1,619 service gaps or unmet community aspirations across the region and provide a 'traffic light' progress report against each service gap or community aspiration (ISD steering Committee 2012).

In the first four years of the 2009–2029 Regional Plan, 332 service gaps were closed, work on 671 was in progress, and 616 were under review with their respective communities (TSRA 2014).

Consultations with local service providers in the Torres Strait suggest that, in addition to its formal coordinating role, the TSRA also plays an important informal role in service coordination. For example, we heard stories from service providers of cases where the TSRA had been able to arrange funding for travel to cover shortfalls where travel arrangements had not been properly considered by agency central offices.

In 1997, a House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs conducted an inquiry into greater autonomy for Torres Strait Islanders. The committee recommended that:

- the Commonwealth negotiate the establishment of a joint statutory agency with the Queensland Government to represent all residents of the Torres Strait Area—this new body was to replace other bodies including the Island Coordinating Council, the TSRA and the Torres Shire Council
- the new authority be granted statutory functions to formulate policy and implement programs, take loans and establish and operate business as it sees fit, and to advise the Commonwealth and state governments on matters relating to the Torres Strait region
- the Queensland and Australian governments provide block grant funding, with the goal of devolving maximum authority to the new authority to determine the priorities for the allocation of funds
- the authority develop programs to enhance the economic development of the Torres Strait, including training and apprenticeship programs (House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs 1997).

## Cape York

A strong leadership culture is developing in Cape York, through the Cape York Institute, but also through the remote and discrete Aboriginal and Torres Strait Islander communities themselves.

Cape York Institute plays an important role in the Cape, both as an advocate for change as well as in the development of practical solutions, such as their Cape York Leaders Program, which aims to build the confidence and leadership skills of people across Cape York.

The Institute is also leading the progression of the Empowered Communities reform proposal across the Cape and is working with communities to develop local representation. At the time of writing, the Commission is aware of at least two communities where local representation has been established.

## References

Aboriginal Affairs (NSW) 2012, *Getting it Right: the findings of the round two consultations for the NSW Ministerial Taskforce on Aboriginal Affairs*, Office of Communities, NSW Department of Education and Communities, Sydney.

- 2014, *Local Decision Making Accord Process*.
- 2016, *OCHRE: Good Governance Guidelines*.

Aboriginal and Torres Strait Islander Health Unit 2015, *Closing the Gap: performance report*, at [https://www.health.qld.gov.au/\\_\\_data/assets/pdf\\_file/0024/153861/closing-gap-2015.pdf](https://www.health.qld.gov.au/__data/assets/pdf_file/0024/153861/closing-gap-2015.pdf).

ABS (Australian Bureau of Statistics) 2001, *Measuring Wellbeing: frameworks for Australian social statistics, 2001*, cat. no. 4160.0, Australian Government, Canberra.

- 2006a, *2006 Census of Population and Housing*, at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2914.02006>.
- 2006b, *Indigenous Statistics for Schools*, at <http://www.abs.gov.au/websitedbs/cashome.nsf/4a256353001af3ed4b2562bb00121564/be2634628102566bca25758b00116c3d!OpenDocument>.
- 2011a, *Census of Population and Housing*, at <http://www.abs.gov.au/ausstats/abs@.nsf/ViewContent?readform&view=productsbyCatalogue&Action=Expand&Num=2.1>.
- 2011b, *Census of Population and Housing: Socio-economic Indexes for Areas (SEIFA), Australia, 2011*, cat. 20133.0.55.001, at <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/2033.0.55.001main+features100042011>.
- 2016a, *2016 Census of Population and Housing*, at <http://www.abs.gov.au/ausstats/abs@.nsf/second+level+view?ReadForm&prodno=2024.0&viewtitle=Census%20of%20Population%20and%20Housing:%20Australia%20Revealed~2016~Latest~27/06/2017&&tabname=Related%20Products&prodno=2024.0&issue=2016&num=&view=&>.
- 2016b, *National Aboriginal and Torres Strait Islander Social Survey, 2014–15*, cat. 4714.0, at <http://www.abs.gov.au/ausstats/abs@.nsf/mf/4714.0>.
- 2016c, *Prisoners in Australia, 2016*, cat. 4517.0, at <http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4517.0Main+Features352016?OpenDocument>.
- 2016d, *Census of Population and Housing*.

ACARA (Australian Curriculum, Assessment and Reporting Authority) 2013, *National Report on Schooling in Australia 2013*, Sydney, at <http://www.acara.edu.au/reporting/national-report-on-schooling-in-australia-2013/student-participation/progression-and-retention>.

- 2016, *Apparent retention*, Australian Curriculum, Assessment and Reporting Authority, viewed 6 December, at <http://www.acara.edu.au/reporting/national-report-on-schooling-in-australia-data-portal/apparent-retention>.
- 2017a, *NAPLAN results*, at <http://reports.acara.edu.au/Home/Results>.
- 2017b, *My School*, at <https://www.myschool.edu.au/>.

Advisory Group (Advisory Group on Conduct Problems) 2009, *Conduct Problems Best Practice Report*, Ministry of Social Development, Wellington NZ.

- ADCQ (Anti-discrimination Commission Queensland) 2017, *Addressing Institutional Barriers to Health Equity for Aboriginal and Torres Strait Islander People in Queensland's Public Hospital and Health Services*, ADCQ, Brisbane.
- AEDC (Australian Early Development Census) 2015, *Data Explorer, Australia, States and Territories*, at <https://www.aedc.gov.au/data/data-explorer>.
- AHMAC (Australian Health Ministers' Advisory Council) 2015, *Aboriginal and Torres Strait Islander Health Performance Framework 2014 Report*, AHMAC, Canberra.
- AHRC (Australian Human Rights Commission), 2012, *Social Justice Report 2012*.
- AIATSIS (Australian Institute of Aboriginal and Torres Strait Islander Studies) 2014, *Indigenous languages link to health and well-being*, 5 March, at <http://aiatsis.gov.au/news-and-events/news/indigenous-languages-link-health-and-well-being-0>.
- AIFS (Australian Institute of Family Studies) 2017, *Australian Indigenous Mentoring Experience*, at <https://apps.aifs.gov.au/ipppregister/projects/australian-indigenous-mentoring-experience>.
- AIHIN (Australian Indigenous HealthInfoNet) 2017, *Deadly Ears, the Queensland State-wide Aboriginal and Torres Strait Islander Child Ear Health Program*, at <http://www.healthinonet.ecu.edu.au/key-resources/programs-projects?pid=630>.
- AIHW (Australian Institute of Health and Welfare) 2011a, *A profile of homelessness for Aboriginal and Torres Strait Islander people*, cat. no. IHW 43, AIHW, Canberra.
- 2011b, *Aboriginal and Torres Strait Islander people with disability: wellbeing, participation and support*, cat. no. IHW 45, AIHW, Canberra, at <http://www.aihw.gov.au/WorkArea/DownloadAsset.aspx?id=10737418952&libID=10737418951>.
  - 2012, *Canadian Occupancy Standard*, viewed 24 July 2016, at <http://meteor.aihw.gov.au/content/index.phtml/itemId/386254>.
  - 2013, *Expenditure on health for Aboriginal and Torres Strait Islander people 2010–11: an analysis by remoteness and disease*, Health and welfare expenditure series no. 49, cat. no. HWE 58, AIHW, Canberra, at <http://aihw.gov.au/WorkArea/DownloadAsset.aspx?id=60129544363>.
  - 2014, *Australia's health 2014, Australia's health system*, viewed 9 July 2017, at <http://www.aihw.gov.au/australias-health/2014/health-system/>.
  - 2016, *Metadata Online Registry*, at <http://meteor.aihw.gov.au/content/index.phtml/itemId/269732>.
- ALPA (Arnhem Land Progress Aboriginal Corporation) 2016, *Annual Report 2015–16*, ALPA, Darwin.
- Altman, JC, Biddle, N, & Hunter, BH 2008, *How Realistic are the Prospects for 'Closing the Gaps' in Socioeconomic Outcomes for Indigenous Australians?*, discussion paper no. 287/2008, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.
- Altman JC 2001, *Sustainable development options on Aboriginal Land: The hybrid economy in the twenty-first century*, discussion paper no. 226, Centre for Aboriginal Economic Policy Research, Australian National University, Canberra.
- Anand, S & Sen, A 1994, *Sustainable Human Development: Concepts and Priorities*, UNDP Human Development Report Office 1994 Occasional Papers, at [http://hdr.undp.org/sites/default/files/anand\\_sudhir\\_-\\_sustainable\\_human\\_development\\_-\\_concepts\\_and\\_priorities.pdf](http://hdr.undp.org/sites/default/files/anand_sudhir_-_sustainable_human_development_-_concepts_and_priorities.pdf).
- Anderson, P & Tilton, E 2017, *Bringing Them Home 20 years on: an action plan for healing*, Aboriginal and Torres Strait Islander Healing Foundation, Barton.

- ANZ (Australia and New Zealand Banking Group) 2007, *Home Ownership and Indigenous Australians*, discussion paper. at <http://www.anz.com/resources/8/4/84efbb804f1d4160a7e7b758b54e5b8d/Home-Ownership-Discussion-Paper.pdf>.
- Access Economics 2004, *The cost of domestic violence to the Australian economy: Part I*, prepared for the Australian Government's Office of the Status of Women, Canberra.
- ANAO (Australian National Audit Office) 2011, *Indigenous Employment in Government Service Delivery*, Audit Report no. 4 2011-12, Performance Audit, The Auditor-General, Canberra.
- Andrews, M, Pritchett, L, & Woolcock, M 2017, *Building State Capability: evidence, analysis, action*, at <https://bsc.cid.harvard.edu/building-state-capability-evidence-analysis-action>.
- ASQA (Australian Skills Quality Authority) n.d, *About RTOs*, viewed 6 December 2017, at <https://www.asqa.gov.au/about/australias-vet-sector/about-rtos>
- Atkinson, J 2013, *Trauma-informed services and trauma-specific care for Indigenous Australian children*, resource sheet no. 21, prepared for Closing the Gap Clearinghouse, Canberra.
- ATSILS n.d., *Prisoner Throughcare Services*, at <https://www.atsils.org.au/prisoner-throughcare/>.
- ATSISPEP (Aboriginal and Torres Strait Islander Suicide Prevention Evaluation Project) 2016, *Solutions that work: what the evidence and our people tell us*, University of Western Australia School of Indigenous Studies, at [http://www.atsispep.sis.uwa.edu.au/\\_\\_data/assets/pdf\\_file/0006/2947299/ATSISPEP-Report-Final-Web.pdf](http://www.atsispep.sis.uwa.edu.au/__data/assets/pdf_file/0006/2947299/ATSISPEP-Report-Final-Web.pdf).
- Aurukun Shire Council 2014, *Aurukun Shire Planning Scheme*, at [http://www.aurukun.qld.gov.au/wp-content/uploads/2012/08/Aurukun-Planning-Scheme\\_QPP3\\_Final-For-Adoption-Commencement.pdf](http://www.aurukun.qld.gov.au/wp-content/uploads/2012/08/Aurukun-Planning-Scheme_QPP3_Final-For-Adoption-Commencement.pdf).
- Australian Government, 2017, *Response to Referendum Council's report on Constitutional Recognition* <https://www.pm.gov.au/media/2017-10-26/response-referendum-councils-report-constitutional-recognition>.
- 2014, *National Partnership Agreement on Remote Service Delivery: Evaluation 2013*, Commonwealth of Australia, Canberra.
  - 2016, *Australian Early Development Census*, Commonwealth of Australia, Canberra.
  - 2017, *Budget Paper No. 3 Part 1: Australia's Federal Relations, Budget 2016–17*, Commonwealth of Australia, Canberra.
- Australian Law Reform Commission 2017, *Incarceration Rates of Aboriginal and Torres Strait Islander Peoples*, discussion paper no. 84, at [https://www.alrc.gov.au/sites/default/files/pdfs/publications/discussion\\_paper\\_84\\_compressed\\_no\\_cover.pdf](https://www.alrc.gov.au/sites/default/files/pdfs/publications/discussion_paper_84_compressed_no_cover.pdf)
- Australian Museum 2015, *Indigenous Australia timeline 1901 to 1969*, at <https://australianmuseum.net.au/indigenous-australia-timeline-1901-to-1969>.
- Bainbridge, R, McCalman, J, Clifford, A, & Tsey, K 2015, *Cultural competency in the delivery of health services for Indigenous people*, issues paper no. 13, prepared for Closing the Gap Clearinghouse, Australian Institute of Health and Welfare & Australian Institute of Family Studies, Canberra.
- Banks, G 2009, *Evidence-Based Policy Making: What is it? How do we get it?*, ANZSOG/ANU Public Lecture Series 2009, Canberra, 4th February.
- 2011, *Independent policy advice and the Productivity Commission*, speech delivered at the Chancellor's Lecture, Swinburne University, Melbourne, 22 September.
- Barber, M, Kihn, P, Moffit, A 2011, *Deliverology: From idea to implementation*, McKinsey & Company, London.
- Betts, A 2017, 'Long-held alcohol study in NT finds social clubs can help reduce harm in Aboriginal communities', *ABC online news*, 2 June.

- BIE (Bureau of Industry Economics) 1995, *Setting the Scene: Monitoring micro reform*, Report 95/1, Australian Government Publishing Service, Canberra.
- Biddle, N 2011, *Socioeconomic Outcomes*, CAEPR Indigenous Population Project Paper 13, Centre for Aboriginal Economic Policy Research, at [http://caepr.anu.edu.au/sites/default/files/cck\\_indigenous\\_outcomes/2013/10/2011CensusPaper\\_13\\_Socioeconomic%20Outcomes.pdf](http://caepr.anu.edu.au/sites/default/files/cck_indigenous_outcomes/2013/10/2011CensusPaper_13_Socioeconomic%20Outcomes.pdf).
- 2014, *Data about and for Aboriginal and Torres Strait Islander Australians*, issues paper no. 10, prepared for Closing the Gap Clearinghouse, Australian Institute of Health and Welfare & Australian Institute of Family Studies, Canberra.
- Boughton, B & Beetson, J 2017, 'To lift literacy levels among Indigenous children, their parents' literacy skills must be improved first', *The Conversation*, 9 June, at <http://theconversation.com/to-lift-literacy-levels-among-indigenous-children-their-parents-literacy-skills-must-be-improved-first-78827>.
- Bourke, C, Rigby, K, & Burden, J 2000, *Better practice in school attendance: improving the school attendance of Indigenous students*, Monash University, Canberra.
- Bradfield, S 2005, 'White Picket Fence or Trojan Horse? The debate over communal ownership of Indigenous land and individual wealth creation', *Native Title Research Unit*, vol. 3, no. 3, pp 1–12.
- Brackertz, N & Wilkinson A 2017, *Research Synthesis of Social and Economic Outcomes of Good Housing for Aboriginal and Torres Strait Islander People*, AHURI research for The Department of Prime Minister and Cabinet, Canberra.
- Buckskin, P 2016, *More Aboriginal and Torres Strait Islander Teachers Initiative, final report*, University of South Australia, at <http://apo.org.au/system/files/74854/apo-nid74854-64561.pdf>.
- Butler, E 2012, *Public Choice—A Primer*, The Institute of Economic Affairs, London.
- Cape York Institute 2005, *Can Cape York communities be economically viable?*, Viewpoint, at <http://capeyorkpartnership.org.au/wp-content/uploads/2014/06/5-20Can-20CY-20communities-20be-20economically-20viable.pdf>.
- 2007, *From Hand Out to Hand Up: Cape York Welfare Reform Project, Design Recommendations*, Cape York Institute, Cairns.
  - 2013, *Review of Alcohol Management Plans*, submission to the Queensland Government Department of Aboriginal and Torres Strait Islander Partnerships, Brisbane.
- Carter, E and A Whitworth 2015, 'Creaming and Parking in Quasi-Marketised Welfare-to-Work Schemes: Designed Out Of or Designed In to the UK Work Programme?', *Journal of Social Policy*, 44(2), pp. 277–296.
- CDC (US Centers for Disease Control and Prevention) 2013, *Community Health Assessment for Population Health Improvement*, Office of Surveillance, Epidemiology, and Laboratory Services, Atlanta GA.
- CEBP (Coalition for Evidence-Based Policy) 2015, *Social Programs That Work: Perry Preschool Project*, at <http://evidencebasedprograms.org/1366-2/65-2>.
- Chaney, F 2012, 'The Indigenous Policy Experience 1960 to 2012', in *Better Indigenous Policies: the role of evaluation, Roundtable Proceedings*, 22–23 October 2012, Productivity Commission, Canberra, pp. 51–66.
- Chouinard, J & Cousins, JB 2007, 'Culturally Competent Evaluation for Aboriginal Communities: a review of the empirical literature', *Journal of Multidisciplinary Evaluation*, vol. 4, no. 8, pp. 40–54.
- Christie, M 2014, 'Listen to your elders: inviting Aboriginal parents back to school', *The Conversation*, 17 September, at <https://theconversation.com/listen-to-your-elders-inviting-aboriginal-parents-back-to-school-31300>.

CIRCA (Cultural and Indigenous Research Centre Australia) 2015, *Murdi Paaki LDM Accord negotiation evaluation*, CIRCA, Leichhart.

Clontarf Foundation 2017, *Our Story*, at <http://www.clontarf.org.au/about/>.

Clough, AR, Margolis, SA, Miller, A, Shakeshaft, A, Doran, CM, McDermott, R, Sanson-Fisher, R, Ypinazar, V, Martin, D, Robertson, JA, Fitts, MS, Bird, K, Honorato, B, Towle, S, & West, C 2017, 'Alcohol management plans in Aboriginal and Torres Strait Islander (Indigenous) Australian communities in Queensland: community residents have experienced favourable impacts but also suffered unfavourable ones', vol. 17, no. 55, *BMC Public Health*, pp. 1–14.

CMC (Crime and Misconduct Commission) 2007, *CMC Indigenous Policing Inquiry: Summary of Proceedings*, public forum, Cairns, 16 October.

COAG (Council of Australian Governments) 2008, *National Partnership Agreement on Indigenous Economic Participation*, December, at [http://www.federalfinancialrelations.gov.au/content/npa/skills/national-partnership/past/economic\\_participation\\_NP.pdf](http://www.federalfinancialrelations.gov.au/content/npa/skills/national-partnership/past/economic_participation_NP.pdf).

- 2015, *Investigation into Indigenous Land Administration and Use*, prepared by the Senior Officers Working Group, December, at [https://www.pmc.gov.au/sites/default/files/files/COAG\\_Investigation\\_into\\_Indigenous\\_Land\\_Administration\\_and\\_Use.pdf](https://www.pmc.gov.au/sites/default/files/files/COAG_Investigation_into_Indigenous_Land_Administration_and_Use.pdf).

Cobb-Clark, D 2012, 'The Case for Making Public Policy Evaluations Public', in *Better Indigenous Policies: the role of evaluation, Roundtable Proceedings*, Productivity Commission, Canberra, 22–23 October 2012.

Collaboration for Impact n.d., *The Collective Impact Framework* at <http://www.collaborationforimpact.com/collective-impact/>.

Commonwealth Grants Commission 2015, *Report on GST Revenue Sharing Relativities 2015*, Australian Government, Canberra.

Conti, G & Heckman, J 2012, *The Economics of Child Well-Being*, at <http://www.nber.org/papers/w18466.pdf>

Controller and Auditor-General 2011, *Government planning and support for housing on Maori land*, Wellington, New Zealand, at <https://www.oag.govt.nz/2011/housing-on-maori-land/docs/housing-on-maori-land.pdf>.

- 2014, Government planning and support for housing on Maori land: progress in responding to the Auditor-General's recommendations, Wellington, New Zealand.

Cornell, S, Kalt, J 1998, *Sovereignty and Nation-Building: The Development Challenge in Indian Country Today*, Harvard University John F. Kennedy School of Government, Cambridge MA.

- 2003, 'Alaska Native Self-Government and Service Delivery: What Works?', *Joint Occasional Papers on Native Affairs*, vol. 2003–1.

Couzos, S, Delaney Thiele, D, 2016. *Aboriginal Peoples participation in their health care: A Patient Right and an Obligation for Health Care Providers*. *Aboriginal and Islander Health Worker Journal*, vol. 40, pp. 6-7.

Coxeter, P, Del Mar, C, McGregor, L., et al 2015, *Interventions to facilitate shared decision making to address antibiotic use for acute respiratory infections in primary care*, at *Cochrane Database Syst. Rev.* 12.

Crabtree, L, Blunden, H, Milligan, V, Phibbs, P & Sappideen, C, with Moore, N 2012, *Community Land Trusts and Indigenous Housing Options*, AHURI final report no. 185, Australian Housing and Urban Research Institute, Melbourne.

Crawford, H & Biddle, N 2017, *Vocational education participation and attainment among Aboriginal and Torres Strait Islander Australians: Trends 2002–15 and employment outcomes*, CAEPR working paper no. 114/2017, Centre for Aboriginal Economic Policy Research at Australian National University, Canberra.

Crime and Misconduct Commission 2009, *Restoring Order: Crime prevention, policing and local justice in Queensland's Indigenous communities*, CMC, Brisbane.

- 2014, *Community safety planning in Queensland's Indigenous communities: A follow-up to the Restoring order report*, CMC, Brisbane.

Cunningham, M 2009, 'Health', in *State of the world's Indigenous peoples*, in Department of Economic and Social Affairs, United Nations, New York, Chapter 5.

CYAAA (Cape York Aboriginal Australian Academy) 2016, *Cape York Aboriginal Australian Academy Annual Report 2016*, at <https://cyaaa.eq.edu.au/Supportandresources/Formsanddocuments/Annual%20reports/annual-report-2016.pdf>, Queensland Government, Cairns.

CYI and Cape York Land Council 2014, *Economic inclusion: the development right of the people of northern Australia*, Submission by the Cape York Institute for Policy and Leadership and the Cape York Land Council in response to the Australian Government Green Paper on Developing Northern Australia, Cairns, August.

DATSIP 2016a, Annual Bulletin for Queensland's Discrete Indigenous Communities 2014–15, Department of Aboriginal and Torres Strait Partnerships, Queensland Government, Brisbane, at <https://www.datsip.qld.gov.au/resources/datsima/publications/key-reports/annual-bulletin-2014-15.pdf>.

- 2016b, *Aboriginal and Torres Strait Islander community histories*, Queensland Government, Brisbane, at <https://www.qld.gov.au/atsi/cultural-awareness-heritage-arts/community-histories/index.html>
- 2016c, *Annual Report 2015–16*, Queensland Government, Brisbane, at <https://www.datsip.qld.gov.au/resources/datsima/publications/corporate/annual-report/datsip-annual-report-2015-16.pdf>.
- 2016d, *Service Delivery Mapping*, unpublished data.
- 2016e, unpublished data.
- 2016f, *CEQ Fact Sheet*, Queensland Government.
- 2016g, *Moving Ahead: a strategic approach to increasing the participation of Aboriginal people and Torres Strait Islander people in Queensland's economy, 2016–2022*, Queensland Government, Brisbane.
- 2017a, *Annual Bulletin for Queensland's Discrete Indigenous Communities 2015-16*, Department of Aboriginal and Torres Strait Partnerships, Queensland Government, Brisbane.
- 2017b, *Program Office*, Queensland Government, at <https://www.datsip.qld.gov.au/programs-initiatives/program-office>.

Davidson, J, Memmott, P, Go-Sam, C, & Grant, E 2011, *Remote Indigenous Housing Procurement: a comparative study*, AHURI final report no. 167, Australian Housing and Urban Research Institute, Melbourne.

DCCSDS 2017, *Changing Tracks: An action plan for Aboriginal and Torres Strait Islander children and families 2017-2019*, Queensland Government, Brisbane.

DEEWR (Department of Employment) 2012, *Servicing Indigenous Job Seekers in Job Services Australia, Evaluation of Job Services Australia 2009–2012*, at [https://docs.employment.gov.au/system/files/doc/other/servicing\\_indigenous\\_job\\_seekers\\_in\\_job\\_services\\_australia.pdf](https://docs.employment.gov.au/system/files/doc/other/servicing_indigenous_job_seekers_in_job_services_australia.pdf).

Department of State Development (SA) 2016, *South Australian Aboriginal Regional Authority Policy: a regional approach to Aboriginal governance in South Australia*, Government of South Australia, viewed 21 June 2016, at <https://statedevelopment.sa.gov.au/upload/aard/draft%20ara%20policy.pdf>.

DET (Department of Education and Training) 2016a, *Advancing Aboriginal and Torres Strait Islander education and training: an action plan for Queensland*, Queensland Government, Brisbane.

- 2016b, *School Attendance*, viewed 20 June 2017, at <http://education.qld.gov.au/schools/statistics/student-attendance.html>.

- 2016c, *Indigenous VET Partnerships, Training*, viewed 6 December 2017, at <https://training.qld.gov.au/community-orgs/funded/vet-partnership>.
- 2017, *Response to Information Request*, 25 July 2017.

DFD (Department of Finance and Deregulation) 2010a, *Strategic Review of Indigenous Expenditure: report to the Australian Government*, Australian Government Department of Finance and Deregulation, Canberra, at [https://www.finance.gov.au/sites/default/files/foi\\_10-27\\_strategic\\_review\\_indigenous\\_expenditure.pdf](https://www.finance.gov.au/sites/default/files/foi_10-27_strategic_review_indigenous_expenditure.pdf).

DHPW (Department of Housing and Public Works) 2017, unpublished housing data.

DILGP (Department of Infrastructure, Local Government and Planning), 2015, *Guidelines for the identification of rateable land in Indigenous local government areas*, Queensland Government, Brisbane.

Disbray, S 2017, 'Why more schools need to teach bilingual education to Indigenous children', *The Conversation*, 16 June, at <https://theconversation.com/why-more-schools-need-to-teach-bilingual-education-to-indigenous-children-79435>.

Disley, E, Rubin, J, Scraggs, E, Burrowes, N, Culley, D 2011, *Lessons learned from the planning and early implementation of the Social Impact Bond at HMP Peterborough*, technical report, prepared by RAND Europe for the Ministry of Justice, at [https://www.rand.org/content/dam/rand/pubs/technical\\_reports/2011/RAND\\_TR1166.pdf](https://www.rand.org/content/dam/rand/pubs/technical_reports/2011/RAND_TR1166.pdf).

Dockery, AM & Milsom, N 2007, *A Review of Indigenous Employment Programs*, National Centre for Vocational Research, at <http://generationone.org.au/uploads/assets/NCVER-Indigenous-employment-strategies-nr4019.pdf>.

DOFD (Department of Finance and Deregulation) 2010, *Strategic Review of Indigenous Expenditure. Australian Government*, Barton ACT.

Donald, D 2003, 'Alcohol restrictions on the Cape', *Fishing Monthly Magazine*, November issue, at <http://www.fishingmonthly.net.au/Articles/Display/7419-Alcohol-restrictions-on-the-Cape>.

Dossetor, K 2011, *Cost-benefit analysis and its application to crime prevention and criminal justice research*, technical and background paper no. 42, Australian Institute of Criminology, Canberra.

DPC (Queensland Department of the Premier and Cabinet) 2016, *Domestic and Family Violence Services Audit*, final report, prepared by KPMG for the Queensland Government, Brisbane.

DPMC, (Department of the Prime Minister and Cabinet) 2014, *Reform of the Federation—White Paper*, Australian Government, Canberra, at <http://apo.org.au/system/files/41596/apo-nid41596-44111.pdf>.

DPMC (Department of the Prime Minister and Cabinet) 2015, *Indigenous Procurement Policy (IPP)*, Australian Government, Canberra, viewed 15 February 2017.

- 2016a, *Indigenous Advancement Strategy*, Australian Government, Canberra, at <http://www.indigenous.gov.au/news-and-media/grants-funding/indigenous-advancement-strategy>.
- 2016b, *The National Partnership Agreement on Remote Indigenous Housing (NPARIH)*, Australian Government, Canberra.
- 2017a *Australian Government Working with Regional Indigenous Leaders*, Australian Government, Canberra, viewed 21 June 2017, at <https://www.pmc.gov.au/indigenous-affairs/empowered-communities/australian-government-working-regional-indigenous-leaders>.
- 2017b *Remote Housing Review: A review of the National Partnership Agreement on Remote Indigenous Housing and the Remote Housing Strategy (2008-2018)*, Australian Government, Canberra.
- 2017c. *Closing the Gap Prime Minister's Report 2017*, Australian Government, Canberra.

- DSS (Department of Social Security) 2013, *National Partnership Agreement on Remote Indigenous Housing (NPARIH), Review of Progress (2008–2013)*, Australian Government, Canberra, at <https://www.dss.gov.au/sites/default/files/files/indigenous/Final%20NPARIH%20Review%20May%2020132.pdf>.
- Dudgeon, P, Walker, R, Scrine, C, Shepherd, C, & Calma, T, 2014, *Effective Strategies to Strengthen the Mental Health and Wellbeing of Aboriginal and Torres Strait Islander People*, issues paper no. 12, Closing the Gap Clearinghouse, Australian Institute of Health and Welfare & Australian Institute of Family Studies.
- Dudgeon, P, Scrine, C, Fox, A, & Walker, R 2017, 'Facilitating Empowerment and Self-Determination Through Participatory Research: findings from the national empowerment project', *International Journal of Quantitative Methods*, vol. 16, pp. 1–11.
- Dwyer, J, O'Donnell, K, Lavoie, J, Marlina, U, & Sullivan, P 2009, *The overburden report: contracting for Indigenous health services*, Cooperative Research Centre for Aboriginal Health (CRAH) & Flinders University, at [http://www.flinders.edu.au/medicine/fms/sites/health\\_care\\_management/documents/Overburden%20Report\\_contracting%20for%20Indigenous%20Health%20Services.pdf](http://www.flinders.edu.au/medicine/fms/sites/health_care_management/documents/Overburden%20Report_contracting%20for%20Indigenous%20Health%20Services.pdf).
- Dwyer, J, Martini, A, Brown, C, Tilton, E, Devitt, J, Myott, P, & Pekarsky, B 2015, *The Road Is Made by Walking: Towards a better primary health care system for Australia's First Peoples—Report*, The Lowitja Institute, Melbourne.
- edCHOICE n.d., *School choice: types of school choice*, at <https://www.edchoice.org/school-choice/types-of-school-choice/>.
- Edmiston, D & Nicholls, A 2017, 'Social Impact Bonds: the role of private capital in outcome-based commissioning', *Journal of Social Policy*, vol. 47, no. 1, pp. 57-76.
- Ellerman, Z 2002, *Making a difference: governance and accountability of Indigenous councils*, Crime and Misconduct Commission, Brisbane.
- Empowered Communities 2015, *Empowered Communities: Empowered Peoples*, design report, Wunan Foundation Inc., at <http://empoweredcommunities.org.au/f.ashx/EC-Report.pdf>.
- FaHCSIA (Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs) 2012, *Cape York Welfare Reform Evaluation*, Australian Government, Canberra.
- Fien, J, Charlesworth, E, Lee, G, Morris, D, Baker, D, & Grice, T 2008, *Towards a design framework for remote Indigenous housing*, AHURI final report no. 114, Australian Housing and Urban Research Institute, Melbourne.
- Fisher, S et al. 2011, *Desert services that work: Demand-responsive approaches to desert settlements*, Ninti One Limited, Alice Springs.
- Fitzgerald, T 2001, 'Cape York Justice Study', *Australian Indigenous Law Reporter*, no. 56 6(4).
- Fitzpatrick, S 2017, 'When the Dreaming meets the market, The New Agenda: celebrating Indigenous success', *The Deal Magazine*, published by *The Australian*, May issue.
- Flanagan, T & Beauregard, K 2013, *The Wealth of First Nations: an exploratory study*, Centre for Aboriginal Studies, prepared for the Fraser Institute, Canada.
- Flanagan, T 2016, *Why First Nations Succeed*, Fraser Institute, Canada.
- Flaxman, S, Muir, K, & Oprea, I 2009, *Indigenous families and children: coordination and provision of service*, occasional paper no. 23, Australian Government Department of Families, Housing, Community Services and Indigenous Affairs, Canberra.
- Fogarty, B 2012, 'Learning for the western world? The Indigenous education dilemma', *The Conversation*, 14 December, at <https://theconversation.com/learning-for-the-western-world-the-indigenous-education-dilemma-11326>.

- Forrest, A 2014, *The Forrest Review: creating parity*, Australian Government, Canberra, at <https://www.pmc.gov.au/sites/default/files/publications/Forrest-Review.pdf>.
- Frankland, K 1994, *A Brief History of Government Administration of Aboriginal and Torres Strait Islander Peoples in Queensland*, State Library of Queensland, at [http://www.slq.qld.gov.au/\\_\\_data/assets/pdf\\_file/0008/93734/Admin\\_History\\_Aboriginal\\_and\\_Torres\\_Strait\\_Islanders.pdf](http://www.slq.qld.gov.au/__data/assets/pdf_file/0008/93734/Admin_History_Aboriginal_and_Torres_Strait_Islanders.pdf).
- Fredericks, B, Daniels, C, Kinnear, S, Mikecz, M, 2017. *The positive impacts of AIME on Indigenous education outcomes: a case study of Indigenous student retention and transition in Central Queensland*, CQ University, Rockhampton.
- FRC (Families Responsibilities Commission) 2015, *The Annual Report of the Family Responsibilities Commission*, at <http://www.frcq.org.au/index.php?q=content/annual-report-2014-15>.
- n.d., *The creation of the Family Responsibilities Commission*, at <http://www.frcq.org.au/?q=content/creation-family-responsibilities-commission>.
- Frye, D & Parker, D 2016, 'Paternalism: versus Sovereignty: The Long Run Economic Effects of the Indian Reorganization Act', in *Unlocking the Wealth of Indian Nations*, Lexington Books, Lanham MD.
- Gamble, J 2009, *A Developmental Evaluation Primer*, The J.W McConnell Family Foundation, Montreal.
- Gertler, PJ, Martinez, S, Premand, P, Rawlings, LB, & Vermeersch, CMJ 2011, *Impact Evaluation in Practice*, The World Bank, Washington.
- Grant, E, Zillante, G, Srivastava, A, Tually, S, & Chong, A 2017, *Lived experiences of housing and community infrastructure among Indigenous people with disability*, AHURI Final Report No. 283, Australian Housing and Urban Research Institute, Melbourne.
- Gray, S 2015, *The Northern Territory Intervention: An evaluation*, Castan Centre for Human Rights Law, at [https://www.monash.edu/\\_\\_data/assets/pdf\\_file/0008/406943/Caitlin-edit-of-NT-Intervention-page-1.pdf](https://www.monash.edu/__data/assets/pdf_file/0008/406943/Caitlin-edit-of-NT-Intervention-page-1.pdf).
- Griffis, D 2012, *Disability in Indigenous communities; addressing the disadvantage, Ramp Up*, at <http://www.abc.net.au/rampup/articles/2012/04/20/3481394.htm>.
- Guenther, J, Arnott, A, & Williams, E 2009, *Measuring the Unmeasurable: evaluations of complex programs in the Northern Territory*, Proceedings of the NARU 2009 Public Seminar Series, Darwin.
- Gustafsson-Wright, E, Gardiner, S, & Putcha, V 2015, *The Potential and Limitations of Impact Bonds: Lessons from the First Five Years of Experience Worldwide*, Global Economy and Development at Brookings, Washington DC.
- Habibis, D, Memmott, P, Phillips, R, Go-Sam, C, Keys, C, & Moran, M 2013, *Housing conditionality, Indigenous lifeworlds and policy outcomes: towards a model for culturally responsive housing provision*, final report no. 212, Australian Housing and Urban Research Institute, Melbourne.
- Habibis, D, Phillips, R, Spinney, A, Phibbs, P, & Churchill, B 2016, *Reviewing Changes to Housing Management on Remote Communities*, final report no. 271, Australian Housing and Urban Research Institute, Melbourne.
- Hall, N, Barbosa, M.C., Currie, D, Dean, A.J., Head, B, Hill, P.S., Naylor, S, Reid, S, Selvey, L, & Willis, J 2017, *Water, Sanitation and Hygiene in Remote Indigenous Australian Communities: a scan of priorities*, Water for equity and wellbeing series discussion paper, University of Queensland Global Change Institute, Brisbane.
- Halsey, J 2017, *Independent Review into Regional, Rural and Remote Education*, discussion paper, at [https://docs.education.gov.au/system/files/doc/other/independent\\_review\\_into\\_regional\\_rural\\_and\\_remote\\_education.pdf](https://docs.education.gov.au/system/files/doc/other/independent_review_into_regional_rural_and_remote_education.pdf).

- Haswell, M, Kavanagh, D, Tsey, K, Reilly, L, Cadet-James, Y, Laiberte, A, Wilson, A, & Doran, C 2010, 'Psychometric validation of the Growth and Empowerment Measure (GEM) applied with Indigenous Australians', *Australian and New Zealand Journal of Psychiatry*, vol. 44, no. 9. pp 791–9.
- Houghton, J 2016, *The 25th Anniversary of the Royal Commission into Aboriginal Deaths in Custody*, Parliament of Australia, Parliamentary Library, Canberra.
- Health Outcomes International 2014a, *Department of Health: Evaluation of Cape York Wellbeing Centres*, final evaluation report, prepared for the Australian Government, at <http://www.health.gov.au/internet/main/publishing.nsf/content/evcywc-report>.
- Heckman, JJ 2008, 'The case for investing in disadvantaged children', in *Big ideas for children: Investing in our nation's future, First Focus*, at <https://heckmanequation.org/assets/2017/01/Heckman20Investing20in20Young20Children.pdf>.
- Heneghan, C, Garcia-Alamino, J, Spencer, E, et al., 2016. *Self-monitoring and self-management of oral anticoagulation*, Cochrane Database System Review.
- Higgins, D 2005, *Indigenous community development projects, Early Learnings Telstra Foundation research report vol. 2*, at <https://aifs.gov.au/cfca/publications/indigenous-community-development-projects>.
- Hill, S 2012, 'Ear disease in Indigenous Australians: a literature review', *Australian Medical Student Journal*.
- Homel, R 2014, 'Justice Reinvestment as a Global Phenomenon', *Victims and Offenders*, vol. 9, no. 1, pp 6–12.
- House of Representatives 2008, *Open for Business: Developing Indigenous enterprises in Australia*, Parliament of the Commonwealth of Australia, Canberra.
- 2009, *Everybody's Business: Remote Aboriginal and Torres Strait Community Stores*, Parliament of the Commonwealth of Australia, Canberra.
- House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs 1997, *Torres Strait islanders: A New Deal, A Report on Greater Autonomy for Torres Strait Islanders*, Parliament of the Commonwealth of Australia, Canberra.
- HPAIED (Harvard Project on American Indian Economic Development) 2015, *About The Harvard Project*, at <https://hpaied.org/about/overview>.
- HREOC (Human Rights and Equal Opportunity Commission) 1997, *Bringing them home, report of the National Inquiry into the Separation of Aboriginal and Torres Strait Islander Children from their Families*, at [https://www.humanrights.gov.au/sites/default/files/content/pdf/social\\_justice/bringing\\_them\\_home\\_report.pdf](https://www.humanrights.gov.au/sites/default/files/content/pdf/social_justice/bringing_them_home_report.pdf).
- Hudson, S 2008, *CDEP: Help or Hindrance? The Community Development Employment Program and its impact on Indigenous Australians*, The Centre for Independent Studies, at <http://www.cis.org.au/app/uploads/2015/07/pm86.pdf>.
- 2010, *Healthy stores, healthy communities: the impact of outback stores on remote Indigenous Australians*, report no. 122, Centre for Independent Studies, Sydney.
- 2016a, *Mapping the Indigenous Program and Funding Maze*, Centre for Independent Studies, research report no. 18.
- 2016b, 'Awakening the "Sleeping Giant": the hidden potential of Indigenous businesses', *Policy*, vol. 32, no. 1. pp 3–9.
- 2017, *Evaluating Indigenous programs: a toolkit for change*, Centre for Independent Studies, Sydney.

- 2017b, *Know goal before setting Indigenous procurement targets*, The Centre for Independent Studies, Sydney, at <http://www.cis.org.au/commentary/articles/know-goal-before-setting-indigenous-procurement-targets/>.

Hughes, H 2005, *The Economics of Indigenous Deprivation and Proposals for Reform*, Issue Analysis report no. 63, The Centre for Independent Studies, Sydney.

Hughes, H & Hughes, M 2011, 'Rivers of Money Flow into the Sand', *Quadrant Magazine*, 1 June, at <http://quadrant.org.au/magazine/2011/06/rivers-of-money-flow-into-the-sand/>.

Hughes, H, Hughes, M, & Hudson, S 2010, *Private Housing on Indigenous Land*, The Centre for Independent Studies (CIS) Policy Monograph 113, Sydney.

Hughes, J, Dembski, L., Kerrigan, V., Majoni, S., Lawton, P., Cass, A., 2017, *Indigenous Patient Voices: Gathering Perspectives Finding Solutions for chronic and end stage kidney disease* (Symposium Report), Menzies School of Health Research, Darwin.

Human Rights Council 2010, *Situation of indigenous peoples in Australia*, Human Rights Council fifteenth session agenda item 3, United Nations General Assembly, 1 June, at [https://www.monash.edu/\\_\\_data/assets/pdf\\_file/0008/406943/Caitlin-edit-of-NT-Intervention-page-1.pdf](https://www.monash.edu/__data/assets/pdf_file/0008/406943/Caitlin-edit-of-NT-Intervention-page-1.pdf).

Hunt J 2011, *Learning from Success: A response to the Draft Indigenous Economic Development Strategy*, CAEPR Topical Issue no.4/2011, Centre for Aboriginal Economic Policy Research (CAEPR), The Australian National University, Canberra.

Hunt, J 2016, *Let's talk about success: Exploring factors behind positive change in Aboriginal communities*, CAEPR working paper no. 109/2016, Centre for Aboriginal Economic Policy Research at the Australian National University, Canberra.

Hunter, B 2013, *Recent Growth in Indigenous Self-Employed and Entrepreneurs*, CAEPR working paper no. 91/2013, Centre for Aboriginal Economic Policy Research at the Australian National University, Canberra, at <http://caepr.anu.edu.au/sites/default/files/Publications/WP/WP91%20Hunter%20self%20employment.pdf>.

- 2014, *Indigenous employment and businesses: who business is it to employ Indigenous workers?*, CAEPR Working Paper no. 95/2014, Centre for Aboriginal and Economic Policy Research, ANU, Canberra.

Hunter, B & Gray, M 2016, *The ins and outs of the labour market: employment and labour market transitions for Indigenous and non-Indigenous Australians*, CAEPR working paper no. 104/2016, Centre for Aboriginal Economic Policy Research at the Australian National University, Canberra.

Hunter, EM, Gynther, BD, Anderson, CJ, Onnis, LL, Nelson, JR, Hall, W, Baune, BT & Groves, AR 2012, 'Psychosis in Indigenous populations of Cape York and the Torres Strait', *The Medical Journal of Australia*, vol. 196, no. 2, pp. 133 – 135.

Hunter, F & Gordon, M 2017, 'Closing the Gap: Six of seven targets 'not on track', life expectancy gap unchanged', *The Sydney Morning Herald*, 14 February, at <http://www.smh.com.au/federal-politics/political-news/closing-the-gap-six-of-seven-targets-not-on-track-life-expectancy-gap-unchanged-20170213-guc7ir.html>.

Hutchins, N. 2017, *First steps to remove government mortgage*, Minister for Aboriginal Affairs, Government of Victoria, Melbourne, media statement 31 March.

ISD Steering Committee 2012, *Northern Peninsula Area Community Booklet 2012*, at [http://www.tsra.gov.au/\\_\\_data/assets/pdf\\_file/0012/2550/886146-TOR-NPA\\_Web.pdf](http://www.tsra.gov.au/__data/assets/pdf_file/0012/2550/886146-TOR-NPA_Web.pdf).

Jacobs, C. 2017, *Risky business: the problems of Indigenous business policy*, Research Report no. 35, The Centre for Independent Studies, Sydney, November.

James, M 2012, 'Designing Evaluation Strategies', in *Better Indigenous Policies: the role of evaluation, Roundtable Proceedings*, Productivity Commission, Canberra, 22–23 October.

Jawun 2015, *2015 Learnings and Insights: a story of shared value: corporate and government partners*, at <http://2015report.jawun.org.au/index.html#2/z>.

— 2016, *Case study: Recovery to Resilience—Strategic Review of crisis-hit Hope Vale Banana Farm*.

Johns, G 2016, 'Sit-down to stand-up: ACTU backs welfare', *The Australian*, at <http://www.theaustralian.com.au/opinion/columnists/gary-johns/sitdown-to-standup-actu-backs-welfare/news-story/223f57ed7c70a666e566bc74d9a69faf>

Johnson, P, Cherednichenko, B, & Rose, M 2016, *Evaluation of the More Aboriginal and Torres Strait Islander Teachers Initiative Project*, final report, at <http://matsiti.edu.au/wp-content/uploads/2016/05/MATSITI-2016-Project-Evaluation-Final-Report.pdf>.

Jordan, K 2016, *Better than Welfare? Work and Livelihoods for Indigenous Australians after CDEP*, CAEPR Research Monograph No. 36, Centre for Aboriginal Economic Policy Research at the Australian National University, Canberra.

Jordan, K & Fowlkes, L 2016, *Job Creation and Income Support in Remote Indigenous Australia: Moving forward with a better system*, CAEPR Topical Issue no. 2/2016, Centre for Aboriginal Economic Policy Research at the Australian National University, Canberra.

Just Reinvest NSW 2013, *Examples of promising interventions for reducing offending, in particular Indigenous juvenile offending*, prepared for the Senate Standing Committee on Legal and Constitutional Affairs: Inquiry into the value of a justice reinvestment approach to criminal justice in Australia.

KHA, 2016, *Kidney Fast Facts*, Kidney Health Australia, at [http://kidney.org.au/cms\\_uploads/docs/kidney-fast-facts-fact-sheet.pdf](http://kidney.org.au/cms_uploads/docs/kidney-fast-facts-fact-sheet.pdf)

Kinchin, I, Jacups, S, Hunter, G & Rogerson, B 2016, 'Economic Evaluation of "Return to Country": a remote Australian initiative to address Indigenous homelessness', *Evaluation and Program Planning*, vol. 56, pp. 69–75.

Kotter, J 1995, 'Leading change: why transformation efforts fail', *Harvard Business Review*, March–April, pp 59–67.

Kotter, JP 1996, *Leading change*, Harvard Business School Press, Boston MA.

KPMG 2010, *Evaluation of the Community Justice Group Program*, final report, prepared for the Department of Justice and Attorney General Queensland.

— 2016, *Unlocking the Future: Maranguka Justice Reinvestment Project in Bourke*, preliminary assessment.

Kraatz, J, Mitchell, J, Matan, A & Newman, P 2015, *Rethinking Social Housing: efficient, effective and equitable*, final report, project 1.31.

Laverty, M, McDermott, D, Calma, T, 2017, *Embedding cultural safety in Australia's main health care standards*. *Medical Journal of Australia*, vol. 207, 15–16.

Lalonde, C & Chandler, M 2008, 'Cultural continuity as a moderator of suicide risk among Canada's First Nations', *Healing traditions: The mental health of Aboriginal peoples in Canada*, University of British Columbia Press, pp. 221–248.

Lavoie, J, Forget, E, Prakash, T, Dahl, M, Martens, P, O'Neil, J., 2010. 'Have investments in on-reserve health services and initiatives promoting community control improved First Nations' health in Manitoba?', *Social Science & Medicine*, vol. 71, no. 4, pp. 717–24.

Lavoie, J & Dwyer, J 2016, 'Implementing Indigenous community control in health care: lessons from Canada', *Australian Health Review*, vol. 40, no. 4, pp. 453–458.

Legislative Assembly of Queensland 2005, *Palm Island Select Committee Report* Queensland Parliament, 51st Parliament, at <https://www.parliament.qld.gov.au/documents/committees/PISC/2005/palm-island/pisc-report.pdf>.

Legislation Review Committee 1991, *Inquiry into the Legislation Relating to the Management of Aboriginal and Torres Strait Islander Communities in Queensland: Final Report*.

Leigh J 2008, *Improved integration and coordination of services: evaluation of the Stronger Families and Communities Strategy 2000–2004*, issues paper, Department of Families, Housing, Community Services and Indigenous Affairs, Canberra.

LGAQ (Local Government Association Queensland) 2013, *Factors Impacting Local Government Sustainability: a council segment approach*, final report.

— 2017, *Indigenous councils: Council and government partnerships*, at <http://lgaq.asn.au/indigenous>.

Limerick, M 2001, 'Indigenous Community Governance in Queensland 1984-2000', *Indigenous Law Bulletin*, vol. 5, no. 5, pp. 4–10.

— 2009, 'What makes an Aboriginal council successful? Case studies of Aboriginal community government performance in Far North Queensland', *Australian Journal of Public Administration*, vol. 68, no. 4, pp. 414–428.

— 2011, *Report on Phase 2: Assessment of the Palm Island Community Company*, Review of the Palm Island Community Company.

Limerick, M, Morris, R & Sutton, M 2012, *Local government service delivery to remote Indigenous communities: review of service delivery models and approaches in various jurisdictions*, prepared for the Australian Centre of Excellence for Local Government (ACELG), at [https://www.uts.edu.au/sites/default/files/1337742323\\_LG\\_Service\\_Delivery\\_to\\_Remote\\_Indigenous\\_Communities.pdf](https://www.uts.edu.au/sites/default/files/1337742323_LG_Service_Delivery_to_Remote_Indigenous_Communities.pdf).

Limerick, M & Sutton, M 2013, *Indigenous Development Effectiveness Initiative (IDEI), Report 1: Desktop review of initiatives related to community-driven development*.

Lipsey, M 2016, *The foundations of an evidence-based youth justice system*, at <https://my.vanderbilt.edu/spep/>.

LRASC (Lockhart River Aboriginal Shire Council) 2016a, *Annual Report 2015–2016*, at <http://lockhart.qld.gov.au/wp-content/uploads/2014/07/Annual-Report-2015—2016.pdf>.

— 2016b, *Waanta newsletter*, Lockhart River, September.

Luke, A, 2013. *On Explicit and Direct Instruction*, Australian Literacy Educators' Association, at <https://www.alea.edu.au/documents/item/861>.

Luke, A, Cazden, C, Coopes, R, Klenowski, V, Ladwig, J, Lester, J, MacDonald, S, Phillips, J, Shield, P, Spina, N, Pamela, Theroux, Tones, M, Villeges, M & Woods, A 2013, *A summative evaluation of the Stronger Smarter Learning Communities project* vol. 1 and vol. 2, Queensland University of Technology, Brisbane.

Mahuteau, S., Karmel, T., Mavromaras, K., Zhu, R., 2015. *Educational outcomes of young Indigenous Australians*. National Institute of Labour Studies Flinders University, Adelaide.

Malezer, L 2012, 'Challenges in Evaluating Indigenous Policy', in *Better Indigenous Policies: the role of evaluation, Roundtable Proceedings*, Productivity Commission, Canberra, 22–23 October, pp. 69–79.

Manning, M, Smith, C, & Mazerolle, P 2013, 'The societal costs of alcohol misuse in Australia', *Trends & issues in crime and criminal justice*, issue no. 454, Australian Institute of Criminology, Canberra.

Markiewicz, A 2012, 'Closing the Gap through Respect, Relevance, Reciprocity and Responsibility: issues in the evaluation of programs for Indigenous communities in Australia', *Evaluation Journal of Australasia*, vol. 12, no. 1, pp. 19–25.

- Mayne, J 2010, 'Building an Evaluative Culture: the keys to effective evaluation and results management', *The Canadian Journal of Program Evaluation*, vol. 24, no. 2, pp. 1–30.
- McGarvey, C 2007, *Participatory Action Research: involving "all the players" in evaluation and change*, GrantCraft series, Foundation Center, at <http://www.grantcraft.org/assets/content/resources/par.pdf>.
- McKenna, M & Elks, S 2016, 'Councils making plans to lift indigenous grog bans', *The Australian*, 4 January, at <http://www.theaustralian.com.au/national-affairs/indigenous/councils-making-plans-to-lift-indigenous-grog-bans/news-story/6d28a7dcbc0fbc0663de74d00abe066c>.
- Memmot, P, Stacey, R, Chambers, C, Keys, C 2001, *Violence in indigenous communities: full report: report to the Crime Prevention Branch of the Attorney- General's Department*, Crime Prevention Branch, Attorney-General's Department, Barton, A.C.T., at <http://www.aerc.uq.edu.au/filething/get/2022/violenceindigenous.pdf>.
- Memmot, P, Moran, M, Birdsall-Jones, C, Fantin, S, Kreutz, JG, Burgess, A, Thomson, L & Sheppard, L 2009, *Indigenous home-ownership on communal title lands*, viewed 8 January 2017, at [https://www.ahuri.edu.au/\\_data/assets/pdf\\_file/0018/2079/AHURI\\_Final\\_Report\\_No139\\_Indigenous-home-ownership-on-communal-title-lands.pdf](https://www.ahuri.edu.au/_data/assets/pdf_file/0018/2079/AHURI_Final_Report_No139_Indigenous-home-ownership-on-communal-title-lands.pdf).
- Memmot, P, Nash, D, & Birdsall-Jones, C 2013, *Indigenous Homelessness in Regional Australia*, evidence note no. 54, Institute for Social Science Research, University of Queensland.
- Mills, F 2017, *Mornington Shire Council Alcohol Management Plan Strategic Review*, Mornington Shire Council, Mornington, September.
- Montessori Children's Foundation n.d., *About the Torres Strait Project*, Montessori Foundation, viewed 1 December, at [www.montessorifoundation.org/MCFTorresStrait.pdf](http://www.montessorifoundation.org/MCFTorresStrait.pdf).
- Moran, A 2017, 'Census 2016: Indigenous population could have been undercounted again', *ABC online news*, 28 June, at <http://www.abc.net.au/news/2017-06-28/concerns-over-undercount-of-indigenous-population-in-census/8660972>.
- Moran, M 2009, 'On questioning the "viability" of remote Aboriginal settlements', *Crikey*, 19 March, at <https://www.crikey.com.au/2009/03/19/on-questioning-the-viability-of-remote-aboriginal-settlements/>.
- Moran, M (ed.) 2016, *Serious Whitefella Stuff*, Melbourne University Press, Melbourne.
- Moran, M, Memmot, P, Long, S, Stacy, R & Holt, J 2002, 'Indigenous Home Ownership and Community Title Land: A preliminary household survey', *Urban Policy and Research*, vol. 20, no. 4, pp. 357–370.
- Moran, M, Porter, D, & Curth-Bibb, J 2014, *Funding Indigenous Organisations: Improving governance performance through innovations in public finance management in remote Australia*, issue paper no. 11, Closing the Gap Clearinghouse, Australian Institute of Health and Welfare & Australian Institute of Family Studies.
- Morgan Disney (Morgan Disney & Associates) 2007, *Implementation Review of Shared Responsibility Agreements: Don't let's lose another good idea*, prepared by Morgan Disney & Associates Pty Ltd, for the Department of Families, Community Services and Indigenous Affairs, Canberra.
- Muir, K & Bennett, S 2014, *The Compass: your guide to social impact analysis*, Centre for Social Impact, Sydney.
- Mundine, W. 2017, 'Handful of millionaires' benefit from indigenous funding scheme, News Corp Australia Network, 23 February, at <http://www.cairnspost.com.au/news/cairns/handful-of-millionaires-benefit-from-indigenous-funding-scheme/news-story/7969b54865f41f93676deb39d71237aa>.
- Nadew, GT 2012, 'Exposure to traumatic events, prevalence of posttraumatic stress disorder and alcohol abuse in Aboriginal communities', *Rural and Remote Health*, vol. 12, no. 1667, pp. 1–12.
- National Commission of Audit 2014, *Towards Responsible Government, Appendix to the Report of the National Commission of Audit—Volume 1*, Canberra, at <http://www.ncoa.gov.au/report/appendix-vol-1/index.html>.

- NDIA (National Disability Insurance Agency) 2017, *NDIS in Queensland* <https://www.ndis.gov.au/about-us/our-sites/QLD.html#cai>.
- National Native Title Tribunal 2017, *Cape York Region: Native Title Applications and Determination Areas*, map, at [http://www.nntt.gov.au/Maps/QLD\\_Cape\\_York\\_NTDA\\_Schedule.pdf](http://www.nntt.gov.au/Maps/QLD_Cape_York_NTDA_Schedule.pdf).
- 2010, *Native Title: an overview*, viewed 8 March 2017, at <http://www.nntt.gov.au/Information%20Publications/Native%20Title%20an%20overview.pdf>.
  - 2016, *What is an Indigenous Land Use Agreement?*, viewed 8 April 2017, at [http://www.nntt.gov.au/Information%20Publications/What%20is%20an%20ILUA\\_February%202014.pdf](http://www.nntt.gov.au/Information%20Publications/What%20is%20an%20ILUA_February%202014.pdf).
- Nelson, J, Pearson, N, & Reid, C 2016, *We're black—we don't matter: The neglected special needs of First Nations students in Queensland schools*, submission to Deloitte Access Economics, *Review of education for students with disability policy in Queensland state schools*, at [http://www.youthdetentionreview.qld.gov.au/\\_\\_data/assets/pdf\\_file/0019/2584/Submission-Disability-Review.pdf](http://www.youthdetentionreview.qld.gov.au/__data/assets/pdf_file/0019/2584/Submission-Disability-Review.pdf).
- North Queensland Land Council 2017, *Your Way Forward for Native Title*, at <http://www.nqlc.com.au/index.php/faqs/>.
- NRHA Inc (National Rural Health Alliance Inc.) n.d., *Inquiry into Chronic Disease Prevention and Management in Primary Health Care*, Submission to the House of Representatives Standing Committee on Health, at <http://ruralhealth.org.au/sites/default/files/documents/nrha-policy-document/submissions/inquiry-chronic-disease-prevention-and-management-primary-health-care.pdf>.
- NSW Government 2016, *Evaluation in the NSW Government*, Department of Premier and Cabinet, at [http://www.dpc.nsw.gov.au/programs\\_and\\_services/policy\\_makers\\_toolkit/evaluation\\_in\\_the\\_nsw\\_government](http://www.dpc.nsw.gov.au/programs_and_services/policy_makers_toolkit/evaluation_in_the_nsw_government).
- NSW Government & MPRA (Murdi Paaki Regional Assembly) 2015, *Murdi Paaki Local Decision Making Accord*, at <http://www.aboriginalaffairs.nsw.gov.au/pdfs/OCHRE/Murdi-Paaki-Accord-2.pdf>.
- NSW Health 2010, *Closing the gap: 10 Years of Housing for Health in NSW, An evaluation of a healthy housing intervention*, at <http://www.health.nsw.gov.au/environment/Publications/housing-health.pdf>.
- NSW Office of Local Government 2016, *The Far West Initiative: improving outcomes for the people of Far Western NSW*, consultation paper, NSW Government, Nowra NSW.
- NTRC (Northern Territory Royal Commission) 2017, *Report of the Royal Commission and Board of Inquiry into the Protection and Detention of Children in the Northern Territory*, at <https://childdetentionnt.royalcommission.gov.au/Documents/Royal-Commission-NT-Final-Report-Volume-1.pdf>.
- O'Brien, D 2011, 'Home to Own: Potential for Indigenous housing by Indigenous people', *Australian Aboriginal Studies*, vol. 11, no. 4, pp. 65–80.
- OECD (Organisation for Economic Cooperation and Development) 2011, *Compendium of OECD Well-being Indicators*, OECD Better Life Initiative, OECD Publishing at <http://www.oecd.org/general/compendiumofocdwell-beingindicators.htm>.
- 2013, *OECD Guidelines on Measuring Subjective Well-being*, OECD Better Life Initiative, OECD Publishing.
- Olgivie, E & Van Zyl, A 2001, *Young Indigenous Males, Custody and the Rites of Passage*, Australian Institute of Criminology, Canberra, at <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.454.9452&rep=rep1&type=pdf>.
- ORIC (Office of the Registrar of Indigenous Corporations) 2016, *The Top 500 Aboriginal and Torres Strait Islander Corporations, 2014–15*, Australian Government, Canberra.

- Ory, M, Ahn, S, Jiang, L., et al, n.d. *Successes of a national study of the Chronic Disease Self-Management Program: meeting the triple aim of health care reform*. *Medical Care* 51, 992–8.
- Palmer, A 2012, 'Playing with fire', *The Economist*, 25 February, at <http://www.economist.com/node/21547999>.
- Panaretto, KS, Wenitong, M, Button, S, Ring, IT, 2014, 'Aboriginal community controlled health services: leading the way in primary care', *The Medical Journal of Australia*, vol. 200, no. 11, pp. 649–652.
- PC (Productivity Commission) 2012, *Better indigenous policies: the role of evaluation, Roundtable Proceedings*, Productivity Commission, Canberra, 22–23 October.
- 2014, *Public Infrastructure Volume 1*, inquiry report no. 71, Canberra.
  - 2016a, *Indigenous Primary School Achievement*, research paper, Canberra.
  - 2016b, *Introducing competition and informed user choice into Human Services: Identifying sectors for reform*, study report, Canberra.
  - 2016c, *Marine Fisheries and Aquaculture*, final report, Canberra.
  - 2017a, *Introducing Competition and Informed User Choice into Human Services: Reforms to Human Services*, draft report, Canberra.
  - 2017b, *Report on Government Services 2017: Chapter 16 Child Protection Services*, Canberra.
  - 2017c, *Report on Government Services 2017: Chapter 17 Youth Justice Services*.
  - 2017d, *Shifting the Dial: 5 Year Productivity Review* (5 year productivity review No. 84). Canberra.
- Pearson, N 2005a, *The Cape York Agenda – “fundamental transformation through radical reform”*, Cape York Institute (CYI), Cairns.
- 2005b, *Welfare Reform and Economic Development for Indigenous Communities*, occasional papers series, The Centre for Independent Studies (CIS).
  - 2007, 'Mabo Legacy is Still Misunderstood', *The Australian*, 2 June, at <http://www.theaustralian.com.au/opinion/noel-pearson-mabo-legacy-is-still-misunderstood/news-story/e752db6f985c005a644cb02b91dccb61>.
  - 2010, 'Social housing model rips the heart out of indigenous communities', *The Australian*, 6 February, at <http://www.theaustralian.com.au/opinion/social-housing-model-rips-the-heart-out-of-indigenous-communities/news-story/6d5189a78363c54c7687ee2244b142e3>.
- Peter, S & Ayora, J 2011, 'Self Build: alternative housing procurement in remote Indigenous communities', Centre for Appropriate Technology, Alice Springs.
- Pholeros, P & Phibbs, P 2012, *Constructing and maintaining houses*, resources sheet no. 13, Closing the Gap Clearinghouse, Australian Institute of Health and Welfare & Australian Institute of Family Studies.
- Pratt, A & Bennett, S 2004, *The end of ATSIC and the future administration of Indigenous affairs*, Current Issues Brief no. 4 2004–05, Parliament of Australia, Parliament Library, Canberra.
- Price, M, McCoy, B, & Mafi, S 2012, 'Progressing the dialogue about a framework for Aboriginal evaluations: sharing methods and key learnings', *Evaluation Journal of Australasia*, vol. 12, no. 1, pp. 32–37.
- PSC (Public Service Commission) 2016, *Serving Queensland: State of the sector workforce report 2015*, Queensland Government, Brisbane, July.
- PwC, (PricewaterhouseCoopers) 2007, *Living in the Sunburnt Country. Indigenous Housing: Findings of the Review of the Community Housing and Infrastructure Program*, at [https://www.dss.gov.au/sites/default/files/documents/05\\_2012/livingsunburntcountry.pdf](https://www.dss.gov.au/sites/default/files/documents/05_2012/livingsunburntcountry.pdf).
- 2017, *Indigenous incarceration: Unlock the facts*, at <https://www.pwc.com.au/indigenous-consulting/assets/indigenous-incarceration-may17.pdf>.

QAIHC (Queensland Aboriginal and Islander Health Council) 2011, *A Blueprint for Aboriginal and Islander Health Reform in Queensland*, Brisbane.

QAO (Queensland Audit Office) 2014, *Monitoring and reporting performance*, report 18: 2013–14.

— 2016, *Forecasting Long-term Sustainability of Local Government*, report 2: 2016–17: 2016–17, Queensland Government.

— 2017, *Education and employment outcomes for Aboriginal and Torres Strait Islander people*, report 20: 2016–17, Queensland Government.

QCOSS (Queensland Council of Social Service) 2013, *Place-based, collaborative responses*, at [https://www.qcoss.org.au/sites/default/files/20130924\\_Place\\_based\\_collaborative\\_responses\\_final.pdf](https://www.qcoss.org.au/sites/default/files/20130924_Place_based_collaborative_responses_final.pdf).

QFCC (Queensland Family and Child Commission), 2017a, *Keeping Queensland's children more than safe: Review of the blue card system*, at <http://apo.org.au/system/files/105966/apo-nid105966-426706.pdf>.

— 2017b, *Keeping Queensland's children more than safe: Review of the foster care system*, at <http://apo.org.au/system/files/105971/apo-nid105971-426721.pdf>.

QGSO (Queensland Government Statistician's Office) 2015, *Population Projections: Projected population by local government area, Queensland, 2011 to 2036*, Brisbane, at

<http://www.qgso.qld.gov.au/subjects/demography/population-projections/tables/proj-pop-lga-qld/index.php>.

— 2016a, unpublished population data.

— 2016b, *Reported victims of offences against the person, Queensland, 2014–15*, Queensland Government, Brisbane, at <http://www.qgso.qld.gov.au/products/reports/reported-victims-offences/reported-victims-offences-2014-15.pdf>.

— 2016c, *Community Data: supplementary information*, Brisbane.

QMHC (Queensland Mental Health Commission) 2016, *Proud and strong: Queensland Aboriginal and Torres Strait Islander Social and Emotional Wellbeing Action Plan 2016–18*, Queensland Government, Brisbane.

QTC (Queensland Treasury Corporation) 2016, *Schedule of Investments in Queensland's Remote and Discrete Aboriginal and Torres Strait Islander communities*, Queensland Government, Brisbane.

QTT (Queensland Treasury and Trade) 2013, 'Alcohol Management Plan Review', prepared for the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs at <https://www.datsip.qld.gov.au/resources/datsima/publications/policy/amp/amp-review.pdf>.

Queensland Child Protection Commission of Inquiry 2013, *Taking Responsibility: A Roadmap for Queensland Child Protection*, at [http://www.childprotectioninquiry.qld.gov.au/\\_\\_data/assets/pdf\\_file/0017/202625/qcpci-final-report-web-version.pdf](http://www.childprotectioninquiry.qld.gov.au/__data/assets/pdf_file/0017/202625/qcpci-final-report-web-version.pdf).

Queensland Competition Authority (QCA) 2015, *Industry Assistance in Queensland, Final Report: Volumes 1 and 2*, Brisbane, July.

Queensland Courts 2017, *Community Justice Group Program*, at <http://www.courts.qld.gov.au/services/court-programs/community-justice-group-program>.

Queensland Government 2011a, *Transition to Community Control, fact sheet*, at [https://www.health.qld.gov.au/\\_\\_data/assets/pdf\\_file/0025/379411/t2cc\\_factsheet\\_2011.pdf](https://www.health.qld.gov.au/__data/assets/pdf_file/0025/379411/t2cc_factsheet_2011.pdf).

— 2011b, *Transition to Aboriginal and Torres Strait Islander Community Control of Health in Queensland: A Draft Strategic Policy Framework*, at [https://www.health.qld.gov.au/\\_\\_data/assets/pdf\\_file/0029/359714/spf.pdf](https://www.health.qld.gov.au/__data/assets/pdf_file/0029/359714/spf.pdf).

— 2015, *Freehold title information for communities*, viewed 8 July 2017, at <https://www.qld.gov.au/atsi/environment-land-use-native-title/freehold-title-communities/>.

- 2016, *Land Holding Act Leases*, viewed 8 July 2017, at <https://www.qld.gov.au/atsi/environment-land-use-native-title/background-land-holding-act>.
- 2017a, *Queensland Government Investment Portal (QGIP)*, viewed 8 July 2017, at <https://data.qld.gov.au/dataset/qra-queensland-government-investment-portal-qgip>.
- 2017b, *Social Benefit Bonds Pilot Program: Program Update*, at <https://s3.treasury.qld.gov.au/files/sbb-update-may-2017.pdf>.
- 2017c, *Our Way: A generational strategy for Aboriginal and Torres Strait Islander children and families, 2017–2037*, at <https://www.communities.qld.gov.au/resources/campaign/supporting-families/our-way.pdf>.

Queensland Government 2017a, *Custodial Offender Snapshot - statewide*, Queensland Government data, at <https://data.qld.gov.au/dataset/custodial-offender-snapshot-statewide>.

- 2017b, *Land transfers*, viewed 8 February 2017, at <https://www.qld.gov.au/atsi/environment-land-use-native-title/land-transfers>.

Queensland Health 2014, *The burden of disease and injury in Queensland's Aboriginal and Torres Strait Islander people 2014*, Queensland Government, Brisbane.

- 2015, *Making Tracks towards closing the gap in health outcomes for Indigenous Queenslanders by 2033*, Queensland Government, Brisbane.
- 2017a, *The burden of disease and injury in Queensland's Aboriginal and Torres Strait Islander people 2017, summary report*, Queensland Government, Brisbane.
- 2017b, *The burden of disease and injury in Queensland's Aboriginal and Torres Strait Islander people 2017 (reference year 2011), main report*, Queensland Government, Brisbane.

Queensland Parliament 1992, *Legislative Standards Act 1992*, at <https://www.legislation.qld.gov.au/LEGISLTN/CURRENT/L/LegisStandA92.pdf>.

- 2015, *Everyone's Parliament: Indigenous Suffrage Timeline Queensland*, fact sheet 10.5, at [https://www.parliament.qld.gov.au/documents/explore/education/factsheets/Factsheet\\_10.5\\_IndigenousSuffrageTimeline.pdf](https://www.parliament.qld.gov.au/documents/explore/education/factsheets/Factsheet_10.5_IndigenousSuffrageTimeline.pdf).

Queensland Treasury 2014, *Queensland Government Program Evaluation Guidelines*, at <https://s3.treasury.qld.gov.au/files/qld-government-program-evaluation-guidelines.pdf>.

- 2015, *Social Benefit Bonds Pilot Program: Your questions answered*, at <https://s3.treasury.qld.gov.au/files/social-benefit-bonds-qa-october.pdf>.

RCADIC (Royal Commission into Aboriginal Deaths in Custody) 1991, *Royal Commission into Aboriginal Deaths in Custody*, Adelaide.

Referendum Council 2017, *Final Report of the Referendum Council*, Commonwealth of Australia, Canberra.

Rice, S, Watt, H, & Richardson, P 2017, 'How to get quality teachers in disadvantaged schools—and keep them there', *The Conversation*, 9 February, at <http://theconversation.com/how-to-get-quality-teachers-in-disadvantaged-schools-and-keep-them-there-71622>.

Rio Tinto 2016, *Why Agreements Matter*, Developed in partnership with the Centre for Social Responsibility in Mining, Queensland University. viewed 11 October 2017, at [http://www.riotinto.com/documents/Rio\\_Tinto\\_Why\\_Agreements\\_Matter.pdf](http://www.riotinto.com/documents/Rio_Tinto_Why_Agreements_Matter.pdf).

Rodrik, D 2000, *Institutions for High Quality Growth: What they are and how to acquire them*, National Bureau of Economic Research working paper no. w7540.

- Rogers, J 2017, 'We need to know the true cost of Indigenous boarding school scholarships on communities', *The Conversation*, 13 June, at <https://theconversation.com/we-need-to-know-the-true-cost-of-indigenous-boarding-school-scholarships-on-communities-74622>.
- Rogers, J & Biddle, N 2017, *Stuck in the Middle: The effect of boarding schools for Aboriginal and Torres Strait Islander Students*, Submission 14 to the Inquiry into educational opportunities for ATSI students 2016–17, Australian National University, Canberra.
- Rothman, S, Shah, C, Underwood, C, McMillan, J, Brown, J, McKenzie, P 2013, *National Report on Social Equity in VET 2013*, National VET Equity Advisory Council, Melbourne.
- RQI (Reconciliation Queensland Incorporated) 2008, *Queensland history*, RQI resource sheet, at [http://rqi.org.au/wp-content/uploads/2012/01/qld\\_history.pdf](http://rqi.org.au/wp-content/uploads/2012/01/qld_history.pdf).
- Ryan, M 2017 *Project Booyah Funding Boost*, media statement, Queensland Government, Brisbane, 25 January.
- Salleh, A 2017, 'Indigenous education: We revisit a trailblazing Top End bilingual maths program', *ABC news: Science*, 1 February, at <http://www.abc.net.au/news/science/2017-02-01/trail-blazing-aboriginal-bilingual-maths-program-revisited/8134998>.
- Sanders, W 2002, *Towards an Indigenous order of Australian government: Rethinking self-determination as Indigenous affairs policy*, discussion paper no. 230/2002, Centre for Aboriginal Economic Policy Research at the Australian National University Canberra.
- Saunders, P. eds. 2000, *Reforming the Australian welfare state*, Australian Institute of Family Studies, Melbourne.
- Saunders, E 2017, *Deadly Stories: Elysia Saunders*, Department of Aboriginal and Torres Strait Islander Partnerships, Queensland Government, at <https://www.datsip.qld.gov.au/be-involved/deadly-stories/deadly-stories-gallery/south-west-queensland/elysia-saunders>.
- Schuele, M & Ellerman, Z 2017, *The Road to Nowhere—the National Partnership Agreement on Remote Indigenous Housing: an unfolding policy disaster*, Cape York Institute Policy discussion paper.
- Schwartz, D 2015, 'Mornington Island Indigenous community calls for alcohol ban to be lifted', *ABC News*, 19 August, at <http://www.abc.net.au/news/2015-08-19/mornington-island-indigenous-community-wants-alcohol-ban-lifted/6708530>.
- SCRGSP (Steering Committee for the Review of Government Service Provision) 2009, *Overcoming Indigenous Disadvantage: Key Indicators 2009*, Productivity Commission, Canberra.
- 2014a, *Indigenous Expenditure Report*, Productivity Commission, Canberra.
  - 2014b, *Expenditure Data Manual: 2014 Indigenous expenditure report*, Productivity Commission, Canberra.
  - 2014c, *Service Use Measure Definitions Manual: 2014 Indigenous expenditures report*, Productivity Commission, Canberra.
  - 2016a, *Overcoming Indigenous Disadvantage: Key Indicators 2016*, Productivity Commission, Canberra, at <http://www.pc.gov.au/research/ongoing/overcoming-indigenous-disadvantage/2016>.
  - 2016b, *National Agreement Performance Information 2015–16: National Indigenous Reform Agreement*, Productivity Commission, Canberra.
  - 2017, *Indigenous Expenditure Report*, Productivity Commission, Canberra.
- SFBACS (Senate Finance and Public Administration Committee Secretariat) 2016, *Commonwealth Indigenous Advancement Strategy tendering processes*, Commonwealth of Australia, Canberra.

- Shaw, C, Haddou, J, & Mountain, W 2017, 'Infographic: Are we making progress on Indigenous education?', *The Conversation*, 7 June, at <https://theconversation.com/infographic-are-we-making-progress-on-indigenous-education-78253>.
- Shergold, P 2015, *Learning from Failure: why large government policy initiatives have gone so badly wrong in the past and how the chances of success in the future can be improved*, Australian Public Service Commission, Canberra.
- Silburn, S 2014, 'How crowded homes can lead to empty schools in the bush', *The Conversation*, 16 September.
- Silburn, S, McKenzie, J, Guthridge, S, Li, L, Li, S.Q 2014, *Unpacking educational inequality in the Northern Territory*, at <http://ccde.menzies.edu.au/sites/default/files/documents/ACER%20paper%20.pdf>.
- Silverman, S., 2011. *Cultural Deficit Perspective*, in: *Encyclopedia of Child Behavior and Development*. Springer US, New York, pp. 446–447.
- Small, G & Sheehan, J 2008, 'The Metaphysics of Indigenous Ownership: why indigenous ownership is incomparable to western conceptions of property value', in R Simons, R Malgrem & R Small (eds), *Indigenous peoples and real estate valuation*, Springer, New York, pp. 103–19.
- Social Ventures Australia 2017, *NEWPIN Queensland Social Benefit Bond: Information Memorandum*, at <http://www.socialventures.com.au/assets/Newpin-Qld-SBB-Information-Memorandum-web.pdf>
- Sofronoff, W 2016, *Queensland Parole System Review, final report*, at <https://parolereview.premiers.qld.gov.au/assets/queensland-parole-system-review-final-report.pdf>.
- Special Taskforce on Domestic and Family Violence 2015, *Not Now, Not Ever*, final report, at <https://www.communities.qld.gov.au/resources/gateway/campaigns/end-violence/about/special-taskforce/dfv-report-vol-one.pdf>.
- Spence, J 2003, *Queensland Government submission to the House of Representatives Standing Committee, on Aboriginal and Torres Strait Islander Affairs Inquiry into Building Capacity in Indigenous Communities*, Queensland Government, Brisbane.
- Standing Committee on Aboriginal and Torres Strait Affairs 2004, 'Inquiry into Capacity Building in Indigenous Communities', at [https://www.aph.gov.au/Parliamentary\\_Business/Committees/Committees\\_Exposed/atsia/indigenouscommunities/report#fullreport](https://www.aph.gov.au/Parliamentary_Business/Committees/Committees_Exposed/atsia/indigenouscommunities/report#fullreport).
- Stanley, J, Tomison, A, & Pocock, J 2003, *Child abuse and neglect in Indigenous Australian communities*, Child Abuse Prevention Issues, No 19, Australian Institute of Family Studies, Melbourne.
- Stanley, O 2002, *The potential use of tax incentives for Indigenous businesses on Indigenous land*, CAEPR working paper no. 17/2002, Centre for Aboriginal Economic Policy Research at the Australian National University, Canberra.
- State Library of Queensland 2016, *Missions and Reserves*, at <http://www.slq.qld.gov.au/resources/atsi/community-history/missions>.
- Stern, S, Wares, A, & Hellman, T 2016, *Social Progress Index 2016: Methodological report, Social Progress Imperative*, at <http://www.socialprogressimperative.org/publication/2016-social-progress-index-methodological-report/>.
- Stewart, J 2014, *Developing a Culture of Evaluation and Research*, CFCA Paper no. 28, Child Family Community Australia, Melbourne.
- Stiglitz, J 2012, *The Price of Inequality: How Today's Divided Society Endangers Our Future*, WW Norton & Co, New York.

- Streissguth, A, Bookstein, F, Barr, H, Sampson, P, O'Malley, K, Young, J 2004, 'Risk factors for adverse life outcomes in fetal alcohol syndrome and fetal alcohol effects', *Journal of Developmental and Behavioral Pediatrics*, vol. 25, no. 4, pp. 228–238.
- Sutton, P 2001, 'The politics of suffering: Indigenous policy in Australia since the 1970s', *Anthropological Forum*, vol. 11, no. 2, pp. 125–173.
- Szava, A, Moran, M, Walker, B, West, G 2007, *The Cost of Housing in Remote Indigenous Communities: Views from the Northern Territory Construction Industry*, Centre for Appropriate Technology, Alice Springs.
- Tatham, H., 2017. 'Remote Gulf school says sayonara to Japanese lessons to teach Aboriginal language', *ABC News*, at <http://www.abc.net.au/news/2017-11-06/remote-gulf-school-to-introduce-aboriginal-language/9113026>.
- Tavella, R., McBride, K., Keech, W., Kelly, J., Rischbieth, A., Zeitz, C., Beltrame, J., Tideman, P., Brown, A., 2016. Disparities in acute in-hospital cardiovascular care for Aboriginal and non-Aboriginal South Australians. *Medical Journal of Australia*, vol. 205, pp. 222–7.
- Taylor, J 2006, *Indigenous Peoples and Indicators of Well-Being—an Australian perspective on UNPFII global frameworks*, Working Paper No. 33/2006, Centre for Aboriginal Economic Policy Research.
- Terrill, L 2015, 'Converting Aboriginal and Torres Strait Islander Land in Queensland into Ordinary Freehold', *Sydney Law Review*, vol. 37, no. 519, pp. 519–539.
- Terzon, E 2015, 'Yirrkala store outrage: the challenges of retail in a remote Indigenous community', *ABC online news*, 28 August.
- The Lowitja Institute 2015, *Family Wellbeing—Using an empowerment approach to achieve Closing the Gap targets*, Australia's National Institute for Aboriginal and Torres Strait Islander Health Research, Carlton South.
- The University of Melbourne n.d., *Housing partnership: title transfers, housing quality and tenant outcomes*, Melbourne, <http://fbe.unimelb.edu.au/research/streams/health-and-wellbeing/Housing-partnership>.
- Thornton, D, Bryant, D, Mallett, S, 2017. *Making the leap: A practical guide to inter-agency collaboration*. Brotherhood of St Laurence and ANZSOG, Melbourne.
- Thorpe A, Arabena K, Sullivan P, Silburn K, & Rowley, K 2016, *Engaging First Peoples: A Review of Government Engagement Methods for Developing Health Policy*, discussion paper, The Lowitja Institute, Carlton South.
- TKI (Telethon Kids Institute) 2012, *Indigenous suicide rate by postcode 2001–2012*, at <http://www.indigenoussuicidepreventionmaps.com.au/suicides/>.
- Toomey, E., Finn, J., France-Hudson, B., Ruru, J., 2017, *Revised Legal Frameworks for Ownership and Use of Multi-dwelling Units*, BRANZ, Porirua NZ, at [https://www.branz.co.nz/cms\\_show\\_download.php?id=5b0939bd966836e24a587351b0c43578a323fac](https://www.branz.co.nz/cms_show_download.php?id=5b0939bd966836e24a587351b0c43578a323fac).
- TSC (Tagai State College) 2015, *Annual Report 2015*, Department of Education and Training, Queensland, Brisbane.
- Tsey K, McCalman J, Bainbridge R & Brown C 2012, *Improving Indigenous community governance through strengthening Indigenous and government organisational capacity*, Resource sheet No. 10, Closing the Gap Clearinghouse, Australian Institute of Health and Welfare & the Australian Institute of Family Studies, Canberra.
- Tsey, K, Gibson, T, & Pearson, L 2006, *Family Wellbeing Final Evaluation Report*, Apunipima Cape York Health Council, Bungalow.
- TSRA (Torres Strait Regional Authority) 2009, *Torres Strait and Northern Peninsula Area Regional Plan: Planning for our future—2009 to 2029*, at [http://www.tsra.gov.au/\\_\\_data/assets/pdf\\_file/0018/1773/ts-mpa-rp-09-29.pdf](http://www.tsra.gov.au/__data/assets/pdf_file/0018/1773/ts-mpa-rp-09-29.pdf).

- 2014a, *Annual Report 2013–14, section 5: financial statements*, Torres Strait Regional Authority, at <http://www.tsra.gov.au/news-and-resources/annual-reports/annual-report-2013-2014/section-5-financial-statements/note-4-income>.
- 2014b, *Torres Strait Development Plan: 2014–2018*, at <http://www.tsra.gov.au/the-tsra/torres-strait-development-plan/foreword>.

UN (United Nations) 2006, *Report on the meeting on Indigenous peoples and indicators of well-being*, United Nations Economic and Social Council, New York, at <http://www.fao.org/docrep/009/ag253e/AG253E00.htm>.

- 2008, *United Nations Declaration on the Rights of Indigenous Peoples*, Resolution adopted by the General Assembly, 61/295, at [http://www.un.org/esa/socdev/unpfii/documents/DRIPS\\_en.pdf](http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf).

University of Melbourne 2017, *Agreements, treaties and negotiated settlements project, What is the ATNS Project?*, at <http://www.atns.net.au/page.asp?PageID=2#what>.

Urbis 2014, *Enabling Prosperity: Success factors for Indigenous economic development*, Prepared for Westpac, Brisbane, November.

Victorian Government 2015, *Victorian Local Aboriginal Networks: five year plan 2016–2020*, at [http://www.vic.gov.au/system/user\\_files/Documents/av/Victorian\\_LAN\\_Five\\_Year\\_Plan.pdf](http://www.vic.gov.au/system/user_files/Documents/av/Victorian_LAN_Five_Year_Plan.pdf).

Walker, BW, Porter, DJ, & Marsh, I 2012, *Fixing the hole in Australia's Heartland*, Desert Knowledge Australia, Alice Springs.

Webbe, S & Patrick, W 2009, *Brokering Balance: A public interest map for Queensland Government bodies*, at <https://cabinet.qld.gov.au/documents/2009/Apr/Brokering%20Balance/Attachments/Government%20Response%20to%20Part%20B%20Report.pdf>.

Wensing, E & Taylor, J 2012, *Secure tenure for home ownership and economic development on land subject to native title*, AITSIS research discussion paper no. 31, Australian Institute of Aboriginal and Torres Strait Islander Studies, Canberra.

WHO (World Health Organization) 2000, *Health Systems: Improving Performance*, World Health Organisation, at [http://www.who.int/whr/2000/en/whr00\\_en.pdf?ua=1](http://www.who.int/whr/2000/en/whr00_en.pdf?ua=1).

- 2013, *Evaluation Practice Handbook*, World Health Organization, at [http://apps.who.int/iris/bitstream/10665/96311/1/9789241548687\\_eng.pdf](http://apps.who.int/iris/bitstream/10665/96311/1/9789241548687_eng.pdf).
- 2015, *Health systems*, Health topics, at [http://www.who.int/topics/health\\_systems/en/](http://www.who.int/topics/health_systems/en/).

Western Australian (WA) Government 2017, *Resilient Families, Strong Communities: Mapping service expenditure and outcomes in the Pilbara and the Kimberley*, at <http://regionalservicesreform.wa.gov.au/p/expenditure-and-outcomes-mapping>

Wild R & Anderson P 2007, *Little Children are Sacred: report of the Northern Territory Board of Inquiry into the Protection of Aboriginal Children from Sexual Abuse*, Northern Territory Government, Darwin, <[http://inquirysaac.nt.gov.au/pdf/bipacsa\\_final\\_report.pdf](http://inquirysaac.nt.gov.au/pdf/bipacsa_final_report.pdf)>

Wilson, O., 2017. *Three Domains of Learning - Cognitive, Affective, Psychomotor*. Second Princ. URL <https://thesecondprinciple.com/instructional-design/threedomainsoflearning/>

Wolf, C 1989, *Markets or Governments: Choosing Between Imperfect Alternatives*, MIT Press, Cambridge.

World Bank 2017, 'World Development Report 2017: Governance and the Law', <<http://www.worldbank.org/en/publication/wdr2017>>.

Wyvill, LF 1991, *Regional report of inquiry in Queensland: Royal Commission into Aboriginal deaths in custody*, final report, Royal Commission into Aboriginal Deaths in Custody, Australian Government, Canberra.

YUMI Education Inc., 2015. *About YUMI Education Inc.* URL <https://www.yumi.org.au/>.



