

Government response to

Many Ways Forward

Capacity building and service delivery in Indigenous communities

**Report of the House of Representatives Standing Committee on
Aboriginal and Torres Strait Islander Affairs**

August 2006

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Background

The report, *Many Ways Forward: report of the inquiry into capacity building and service delivery in Indigenous communities*, is the result of a House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs inquiry referred to the Committee by the then Minister for Immigration and Multicultural and Indigenous Affairs, the Hon Philip Ruddock MP, on 19 June 2002. The report was tabled in June 2004.

The Minister instituted the inquiry at a time when there was increasing recognition that building capacity was integral to improving the delivery of services to Indigenous Australians. This recognition is very much at the heart of the Australian Government's new arrangements for Indigenous affairs. The presence of adequate capacity is a prerequisite to achieving a functional community that owns its own problems, is actively engaged in finding solutions and envisions a positive future for its children. There are a number of dimensions to capacity – individual, familial, organisational and governmental – that require focus if a community's aspirations are to be achieved. These different dimensions are reflected in the Committee's terms of reference:

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

- a) *community members to better support families, community organisations and representative councils so as to deliver the best outcomes for individuals, families and communities;*
- b) *Indigenous organisations to better deliver and influence the delivery of services in the most effective, efficient and accountable way; and*
- c) *government agencies so that policy direction and management structures will improve individual and community outcomes for Indigenous people.*

The report states in its introduction that, in evidence to the Committee, it was stressed that the third term of reference - building the capacity of governments - was the area in which the most significant effort was needed in order to facilitate capacity building in Indigenous organisations and communities. As a consequence, the Committee agreed to structure the report accordingly, with the terms of reference addressed in the reverse order.

General Considerations

Overall direction

The Government supports the broad direction of the report, which is primarily concerned with measures to build the capacity of governments, Indigenous organisations and communities in order to achieve more effective management, funding and delivery of services. The report's discussion and recommendations are aimed at addressing the following priorities:

- greater coordination and integration of service provision between levels of government;
- ensuring governments engage in genuine partnership with Indigenous groups in the delivery of services;
- more flexible funding and at the same time greater accountability for achieving real outcomes;
- development of community and organisational capacity, including governance and leadership;
- improvement in governments' capacities to engage effectively with communities in the delivery of services;
- empowerment of individuals, families and communities to play a key role in articulating priorities, designing interventions and achieving better outcomes;
- engagement with the private and philanthropic sectors in partnerships; and
- appropriate data collection and performance evaluation to ensure that what governments are doing is working to improve outcomes for Indigenous Australians.

The report, in many respects, is consistent with action that the Government has taken and has in train through the progressive implementation of changed arrangements for Indigenous affairs from mid-2004.

Australian Government arrangements in Indigenous Affairs

A range of studies has documented the attempts by all levels of government to improve the outcomes derived from the historical funding and service delivery arrangements for Indigenous people.¹ In 2004, the Australian Government decided

¹ Dillon, C., 2000, *The Dillon Report: Review of the Indigenous Communities of Doomadgee and Palm Island*. Undertaken at the request of the Federal Minister for Aboriginal and Torres Strait Islander Affairs, Senator the Honourable John Herron.

Gordon, S., Hallahan, K. & Henry, D., 2002, *Putting the picture together: Inquiry into Response by Government Agencies to Complaints of Family Violence and Child Abuse in Aboriginal Communities*, Department of Premier and Cabinet, Western Australia.

Hannaford, J., Huggins, J. & Collins, R., 2003, *In the Hands of the Regions - A New ATSI: Report of the Review of the Aboriginal and Torres Strait Islander Commission*, Canberra.

Commonwealth Grants Commission, 2001, *Report on Indigenous Funding 2001*, Canberra.

Steering Committee for the Review of Commonwealth/State Service Provision (SCRSSP), *Report on Government Services 2003*, Productivity Commission.

that a comprehensive reorganisation and refocusing of Indigenous affairs was necessary in order to break the cycle and institute long-term reform in the way that services are delivered to Indigenous people.

The Government's arrangements in Indigenous affairs are aimed at overcoming the systemic barriers contributing to poor outcomes for Indigenous people.² In particular, the arrangements address the lack of coordination across the various agencies administering Indigenous program funding; confusion over roles and responsibilities of different levels of government; the limitation of short-term funding arrangements and programs with inflexible guidelines; and poor management on the part of delivery organisations acting as 'gatekeepers' between government and Indigenous communities around Australia. Weaknesses in the delivery of mainstream services are also being tackled, including the provision of essential services to remote Indigenous communities.

These systemic barriers, identified by the Government as key priorities for resolution, align with the priorities identified by the Committee. Consistent with the emphasis in the Committee's report, a particular focus for the Government has been to build its own capacity to develop and implement better coordinated strategies for Indigenous people, including through effective engagement with Indigenous communities.

The Government has established a number of mechanisms to drive change in the administration of Indigenous affairs, ensuring improved transparency and accountability and providing leadership from the top. The Ministerial Taskforce on Indigenous Affairs (MTF) provides that leadership. The MTF is chaired by the Minister for Families, Community Services and Indigenous Affairs and its membership comprises the 10 Ministers with portfolio responsibility for key program areas in Indigenous affairs. The MTF is supported by a Secretaries' Group on Indigenous Affairs, which is chaired by the Secretary of the Department of the Prime Minister and Cabinet. In addition, the National Indigenous Council (NIC) was established in late 2004 as a body to advise the Government on Indigenous issues and strategies. The NIC, which consists of Indigenous people with expertise and experience in many areas relevant to the new directions the Government is taking, meets quarterly including twice a year with the MTF.

The Office of Indigenous Policy Coordination (OIPC) in the Department of Families, Community Services and Indigenous Affairs has a key role in driving change through developing and coordinating policy and service delivery across the Australian Government. A 'whole-of-government' approach to service delivery has been implemented at the regional and local levels through 30 Indigenous Coordination Centres (ICCs) in metropolitan, regional and rural Australia. ICCs servicing regional and remote areas are staffed by the various service delivery agencies and are a radical innovation in public administration in Australia. OIPC leads the ICCs and agencies have been progressively making 'solution brokers' available to support their operations.

House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, 2001, *We Can Do It!: Report on the needs of urban dwelling Aboriginal and Torres Strait Islander peoples*.

² Details concerning the Government's arrangements in Indigenous affairs can be accessed through the Australian Government's Indigenous Portal, <http://www.indigenous.gov.au>.

Greater integration of service provision with the states and territories, another key issue identified by the Committee, is being progressed under the Council of Australian Governments' (COAG) *National Framework of Principles for Delivering Services to Indigenous Australians* (agreed in June 2004). The principles are:

- sharing responsibility;
- harnessing the mainstream;
- streamlining service delivery;
- establishing transparency and accountability;
- developing a learning framework; and
- focusing on priority areas.

These principles strike a chord with many of the Committee's findings. They provide a common framework between governments that promotes maximum flexibility to ensure tailored responses to issues, and helps to build stronger partnerships with Indigenous communities. Under this framework, the Australian Government is developing Indigenous bilateral agreements with each jurisdiction to implement these principles, with overarching agreements already signed with the Northern Territory, Queensland, New South Wales, South Australia and Western Australia.

While working to improve its own capacity, the Australian Government also recognises the vital importance of empowering communities to engage with governments and other partners to improve outcomes. There is now greater engagement at a local level, with Australian Government agencies dealing directly with Indigenous communities through the ICC network.

Shared Responsibility Agreements (SRAs) are one of the tools that capture this new way of working. SRAs provide a means to tailor government interventions to the priority needs of communities and families. In return the community agrees to take steps to implement local solutions consistent with such outcomes as good health, family stability, community safety and economic well-being.

As at 31 May 2006, 174 SRAs had been signed between the Australian Government and 138 separate Indigenous communities. SRAs comprise a small proportion of the total resources dedicated to addressing Indigenous disadvantage and while some communities are ready to build on what they've already done, others want to get a start with a small SRA. For this reason SRA work is progressing on three key fronts:

- delivering on commitments in existing SRAs – on time and in a coordinated, practical way, whilst monitoring the outcomes along the way; consolidating the partnerships with communities; and reviewing the impact over time to establish what's working, what needs improvement, and where the gaps are;
- working with communities on small (one or two issue) SRAs;
- expanding the scope of SRA work in locations where communities are ready and

willing to build on what they have already achieved - these comprehensive or targeted approaches include working with governments towards longer term goals and covering more community priorities over time.

Information on SRAs made with Indigenous communities is progressively released on the internet.³ Full details of SRAs will be available where the community involved has given their permission to public release.

The close engagement with communities in the development of SRAs has allowed the Government to obtain a better idea of the capacity building requirements of communities and to tailor program and service delivery to help build capacity where it is needed. Approximately half of all SRAs signed to date feature community capacity building, governance and leadership as key themes. These initiatives complement the range of existing capacity, governance and leadership initiatives supported by the Government and detailed in the body of this response.

The Shared Responsibility Agreements Implementation Assistance Program was extended in the 2005-06 Budget. Alongside other discretionary funding initiatives, this program provides support to communities to effectively engage with government in the establishment and operation of SRAs. This is being facilitated through the establishment of expert panels that can be drawn on to support individual communities/family groups. Development coordinators have also been placed in some areas of remote Australia to address issues of community capacity and the availability of services.

Regional Partnership Agreements (RPAs) are also being developed to tailor government interventions (including the provision of local government services) across a whole region. The first RPA, which was signed between the Australian Government, the Western Australian Government and Ngaanyatjarra Council, commits all parties to work together to improve essential services, establish meaningful representative arrangements and reduce red tape.

The Government has continued to foster close collaboration between Indigenous communities and other partners, as recommended by the Committee. This recognises the importance of tapping the expertise of the non-government sector to assist in community development work. Complementing a range of program initiatives, such as the Indigenous Community Volunteers Scheme, SRAs will increasingly become an important vehicle for partnerships with state and territory governments, local governments, the private sector and philanthropic organisations.

More flexible and streamlined funding arrangements are another key element of the Government's approach to Indigenous affairs. In 2005, the MTF took a Single Indigenous Budget Submission to Cabinet - the first time such a broad-ranging, coordinated set of proposals for expenditure on Indigenous affairs had been considered by Cabinet. The 2005-06 Budget resulted in new or extended Australian Government Indigenous expenditure of more than half a billion dollars over four years, more than half of which was redirected from mainstream program sources

³ Shared Responsibility Agreement information can be accessed through the Australian Government's Indigenous Portal: <http://www.indigenous.gov.au/sra.html>

(bringing the total Australian Government Indigenous expenditure to a record \$3.1 billion in 2005-06).

The 2006-07 Budget was developed using the same coordinated process, and resulted in approval of additional investment of close to \$500 million over five years, and a planned total Indigenous-specific expenditure by the Australian Government of \$3.3 billion in 2006-07. The package includes measures to strengthen governance and management of Indigenous organisations and develop local leadership capacity.

The Government has also instituted a number of measures to reduce the administrative burden relating to multiple funding sources and reporting requirements on Indigenous community organisations. For example, for the majority of former ATSIC-ATSI programs the application and decision-making processes are coordinated across government through ICCs using a common program application form and single Program Funding Agreement.

Another focus of the Government's efforts has been to identify unwarranted 'red tape' and blockages in funding and other relationships between government and Indigenous communities. OIPC is undertaking a detailed analysis of these issues involving a significant sample of communities nationally.

Finally to ensure that all our efforts are achieving the expected outcomes, the Government has introduced a comprehensive accountability and performance framework, including a set of specific initiatives to improve data collection and to evaluate the effectiveness of the new arrangements in Indigenous affairs (see response to Recommendations 1 and 4 for details concerning these).

Details concerning the Government's arrangements in Indigenous affairs and how they are addressing the concerns raised by the Committee are contained in the responses to individual recommendations below.

The recommendations

The Many Ways Forward report makes 15 recommendations collated under chapter headings related to the terms of reference. This response treats each of the report's recommendations in the order they appear in the report and is set out under the chapter headings used in the report.

SETTING THE CONTEXT

Recommendation 1

The Committee recommends that:

(a) the Commonwealth Government, in consultation with the Australian Bureau of Statistics and the Steering Committee for the Review of Government Service Provision, take a lead role in the establishment of an agreement with State and Territory governments on the collection of uniform data in relation to Indigenous Australians; and

(b) the process be given the highest priority.

Response

The Australian Government accepts the recommendation in principle, noting that the collection of uniform data has been a long-term national priority.

The Government's 2002 response to the previous HORSCATSIA report *We can do it! The needs of urban dwelling Aboriginal and Torres Strait Islander peoples*, details the substantial efforts and strong leadership of the Australian Government over recent years in improving Indigenous data collection. An update on how some of the major initiatives have been carried forward and new initiatives is provided here.

In June 2004, COAG agreed to continue to measure the effect of its commitment through an agreed set of indicators as outlined in the *Overcoming Indigenous Disadvantage Key Indicators 2003 Report (OID)*. The OID was commissioned by COAG to provide a concrete way to measure the impact of changes to policy settings and service delivery on Indigenous Australians. This demonstrates the continuing commitment of the Australian Government and state and territory governments to continue to work together to improve data collection and to monitor outcomes in a systematic way that crosses jurisdictional and portfolio boundaries.

The Government is also pursuing performance information sharing agreements with state and territory governments as schedules under the new Indigenous bilateral agreements currently being negotiated under the auspices of COAG's National Framework.

The Australian Government is leading in this area through the development of an Australian Government Indigenous Management Information System (AGIMIS) to

support the long term policy, program implementation and reporting requirements of the whole-of-government approach to Indigenous services.

The Government has taken a lead role in a number of data initiatives, recognising that data collection systems require continuous improvement to ensure that performance reporting on key Indigenous outcomes is of a high standard. The Government is working with the Steering Committee for the Review of Government Service Provision (SCRGSP), the Australian Bureau of Statistics (ABS), the Australian Institute of Health and Welfare (AIHW) and states and territories to improve Indigenous data quality and comparability through the following bodies:

- the Indigenous Working Group which reports to the SCRGSP and is responsible for the development of the performance indicators within the agreed performance indicator framework published in the OID; and
- working groups convened by members of the SCRGSP comprising representatives from relevant line departments in each jurisdiction and subject area to assist in its preparation of the annual Report on Government Services. This gathers together information on Australians' access to and use of mainstream services and includes an Indigenous Compendium reporting on the performance of specified government agencies and programs in delivering services to Indigenous people.

In its response to the Commonwealth Grants Commission's *Report on Indigenous Funding 2001*, the Government committed to a number of actions to improve data quality, including, where appropriate, having clear Commonwealth objectives and associated reporting requirements in renewed Specific Purpose Payments (SPPs). The Government has taken action in line with this commitment. For example:

- improved reporting and performance information requirements have been incorporated in the most recent quadrennium (2005-08) funding arrangements for Indigenous education;
- improved planning and reporting requirements have been negotiated with state and territory governments under the Indigenous Housing and Infrastructure Agreements (IHIA) for 2005-2008⁴; and
- commitments have been obtained from state and territory governments under the Healthy Indigenous Housing Initiative to improve governance arrangements of Indigenous community housing service providers over the next four years to assist in improving data collection and quality.

Similarly, where the Australian Government has funding formulae under SPPs that recognise differential funding rates for Indigenous people on the basis of remoteness,

⁴ Under the IHIA states and territories will develop two year strategic plans and annual operational plans that will be approved by State/ Territory and Australian Government Ministers. States and territories, responsible for administering funds and delivering housing, infrastructure and essential services, will be required to report half-yearly and yearly on outcomes achieved against the annual operational plan. This requires reporting on outcomes achieved against a nationally consistent set of performance indicators.

the Government will re-examine whether the differential rate of funding is appropriate to the need, having regard to allocations available through other programs.

In addition, where the Government provides additional funding through mainstream services for Indigenous clients and/or provides supplementary funding through Indigenous-specific programs, it is committed to working towards having the ABS standard Indigenous identifier used in the major mainstream administrative data sets.

The use of a standard Indigenous identifier in administrative data collections is important, and the ABS and the AIHW have a significant role in this respect. Work being undertaken by the ABS and the AIHW to this effect, and in general, includes:

- an ongoing program to develop and improve Indigenous data flowing from Australian Government and state and territory administrative systems;
- work with other agencies to ensure Indigenous people are identified in relevant systems and that statistics are of adequate quality
 - priority is being given to the improvement of births and deaths statistics in all states and territories
 - other priorities include hospitals, community services, education, housing, and law and justice statistics;
- work with other agencies to develop and support national Indigenous information plans, Indigenous performance indicators and Indigenous taskforces on a number of topics; and
- an expansion of the ABS Household Survey Program to collect more regular Indigenous statistics, including conduct of regular Indigenous surveys, alternating each three years between social and health related themes. The results of the recently completed 2004-05 National Aboriginal and Torres Strait Islander Health Survey were released on 11 April 2006. Experimental annual Indigenous labour force estimates derived from the Indigenous identifier in the monthly Labour Force Survey for the 2002-2004 triennium were released on 25 January 2006.

While improving Indigenous identification in key data collections is an ongoing process, significant progress is being made in many areas including in the education and law and justice systems.

The Government has also placed particular emphasis on including Indigenous identifiers in the Medicare, Job Network services and public housing data sets.

The Government participates in key working groups such as the National Advisory Group on Aboriginal and Torres Strait Islander Health Information and Data (NAGATSIHID). NAGATSIHID advises the AIHW and the ABS on priorities in their work plans and advises the Statistical Information Management Committee and the Standing Committee on Aboriginal and Torres Strait Islander Health on the development of the Aboriginal and Torres Strait Islander Health Performance Network.

The Standing Committee on Indigenous Housing, comprising Australian Government and state and territory government representatives, reports directly to the Housing Ministers' Advisory Council on improving coordination of program delivery, research and data collection and reporting.

An ABS working group which includes relevant Australian Government agencies provides advice on development and implementation of the 2006 Population Census Indigenous Enumeration Strategy on improving awareness activities, forms design and field procedures to facilitate effective enumeration of Aboriginal and Torres Strait Islander Australians, particularly those living in remote areas. Government agencies are also represented on the reference group that advised the ABS on development of the Community Housing and Infrastructure Needs Survey 2006, which will provide a comprehensive picture of Indigenous housing circumstances across all jurisdictions at a single point in time.

Recommendation 2

The Committee recommends that:

The Commonwealth Government make Aboriginal and Torres Strait Islander Affairs a permanent agenda item at future COAG meetings.

Response

The Government notes this recommendation and advises that as Indigenous affairs is already a major ongoing focus of COAG, there is no need to place it on the COAG agenda as a permanent item. It is further noted that the agenda for each COAG meeting is settled by agreement between jurisdictions and its focus will reflect the priorities of its membership.

Since 1996 matters relating to Indigenous affairs have been discussed frequently at COAG meetings. In 1997, 2000, 2001, 2002, 2003, 2004 and 2005 Indigenous matters including reconciliation, native title and service delivery were major agenda items.

The role of COAG is to initiate, develop and monitor the implementation of policy reforms that are of national significance and which require cooperative action by Australian governments. Indigenous affairs is an important area of policy reform. Progress towards COAG's commitment to advance reconciliation, including issues of improved service delivery and intergovernmental cooperation, is a matter of ongoing interest to COAG and is considered on an annual basis.

Since 2000, COAG has made a series of commitments to greater coordination in Indigenous affairs, acknowledging that Australia needs a new type of federalism to serve Indigenous people where the responsibilities of different levels of governments are clarified.

In April 2002, COAG agreed to the development of a set of key indicators of Indigenous disadvantage against which to measure outcomes, and the commissioning

of a regular report against these indicators. The first report, *Overcoming Indigenous Disadvantage* (OID), prepared by the SCRGSP, was released in November 2003. It provides a means of both evaluating outcomes and engaging agencies across governments to contribute to priority outcomes. A second updated report was released in July 2005.

In June 2004 COAG agreed to the *National Framework of Principles for Delivering Services to Indigenous Australians*, giving substance to the commitment of all jurisdictions to achieving better outcomes for Indigenous Australians, improving the delivery of services, building greater opportunities and helping Indigenous families and individuals to become self-sufficient. As well, COAG has agreed to a *National Framework for Preventing Family Violence and Child Abuse in Indigenous Communities*.

In June 2005 COAG members reaffirmed their commitment to work together in an ongoing partnership to improve outcomes for Indigenous Australians. In particular COAG noted the importance of governments working together with local Indigenous communities on the basis of shared responsibility.

In July 2006 COAG agreed to a range of collaborative measures to address the high levels of family violence and child abuse in Indigenous communities. The Australian Government agreed to contribute \$130 million over four years to support these measures. In addition, COAG agreed on the need for a long-term generational commitment to overcome Indigenous disadvantage.

Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA)

MCATSIA is another significant means for promoting cooperative action across governments and for referring Indigenous affairs issues to COAG as necessary. It comprises the Ministers responsible for Indigenous affairs from the Australian and all state and territory governments, as well as representatives from local government.

MCATSIA's role is to facilitate leadership on Indigenous affairs and to provide COAG with advice. The November 2000 COAG Reconciliation Framework and subsequent COAG Communique in April 2002 provided MCATSIA with special responsibilities for:

- overarching coordination and monitoring of Indigenous affairs;
- identifying gaps, barriers and opportunities; and
- enabling inter-sectoral and inter-governmental action and working with other ministerial councils on policy and program development where appropriate.

MCATSIA played a lead role in developing COAG's OID report as a tool for driving and measuring government action directed towards improving Indigenous social, health and economic outcomes.

As agreed by the Prime Minister (as chair of COAG) in 2003, MCATSIA is focusing on three Indigenous policy 'gap areas' (environmental health, child protection and youth suicide, and economic independence) and is currently developing advice to governments on a plan for future action in the identified areas.

BUILDING THE CAPACITY OF GOVERNMENT AGENCIES

Recommendation 3

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

Response

The Government does not accept the recommendation.

The Government is committed to ensuring that reporting on the progress of the COAG trials is carried out and made widely available, and therefore does not consider that a report to the Parliament is necessary.

In October 2003, a monitoring and evaluation framework for the COAG trials was agreed by the Australian Government and state and territory governments.

The formative evaluations of the eight COAG Trials are now underway and are scheduled to be completed by October 2006. The evaluations focus on learning lessons from the trials, and in particular how the Australian Government can improve its engagement with state and territory governments and Indigenous people and communities. The evaluation report on each trial site covers the history of the trial, the coordination processes used in the trial, interim outcomes and options for further consideration.

All evaluations are being undertaken by external consultants. OIPC is managing the evaluations in collaboration with other Australian Government agencies, state and territory governments and the Indigenous communities involved.

A 'meta-analysis' drawing together common findings from all the site evaluations will take place in the second half of 2006.

Recommendation 4

The Committee recommends that:

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

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

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

Response

The Government notes this recommendation. Considerable reporting is already in train to measure outcomes and monitor performance in Indigenous affairs. It is not clear that a separate Australian Government report to Parliament on Indigenous disadvantage is warranted given the extensive existing reporting processes.

The *Overcoming Indigenous Disadvantage* (OID) report was commissioned by COAG as a comprehensive means of demonstrating the impact of government policies and programs on outcomes for Indigenous people. The first report, published in November 2003, provided a baseline against which to measure progress in addressing disadvantage at a national level.

The second report, published in July 2005, draws mainly on data from the 2002 ABS National Aboriginal and Torres Strait Islander Social Survey (NATSISS) that had become available since the first report. The plan is to continue to produce regular reports over a sufficient period so that, over time, the Government can measure whether improvements are being made. Given the slow moving nature of some of the indicators and the infrequency of some data collections, the biennial reporting cycle of the OID is more appropriate.

The comprehensive accountability and performance framework currently in place at the Australian Government level will underpin continuous program improvement and provide opportunities for regular public reporting of performance:

- alongside the normal auditing role of the Australian National Audit Office, the Government's Indigenous programs will also be subject to independent audit, evaluation and review by the Office of Evaluation and Audit (Indigenous Programs). The Aboriginal and Torres Strait Islander Social Justice Commissioner also comments in these areas;
- mainstream departments will conduct monitoring, audits and evaluations of their mainstream and Indigenous-specific programs, with performance information included in departmental Portfolio Budget Statements and Annual Reports;
- OIPC will undertake evaluations of activities that cross or go beyond organisational boundaries, such as SRAs, focusing in particular on:
 - evaluations on a whole of government basis of administrative processes and arrangements for Indigenous communities (for example, the red tape evaluation);
 - evaluations of government partnerships with communities at the local level (for example, the evaluations of COAG trial sites and SRAs);
 - evaluations of how policies and programs are being coordinated to address cross-portfolio issues; and
- statistical reports from independent data providers such as ABS, the Australian Institute of Criminology, and AIHW will assist performance monitoring and reporting.

In addition, the Secretaries' Group on Indigenous Affairs prepares an annual public report on the outcomes of Indigenous-specific programs. The first annual report, released in December 2005, focused on laying the foundations of the Government's arrangements in Indigenous affairs. Future reports will progressively be able to account for the impact on outcomes for Indigenous people, as more comprehensive data become available from our improved evaluation of the performance of government programs and the associated reforms.

Recommendation 5

The Committee recommends that:

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

Response

The Government accepts the recommendation and is already taking measures to this effect.

The Government recognises that an understanding of Indigenous cultures and community development skills are relevant to being able to work effectively with communities, and supports relevant agency staff having these skills. The Secretaries' Group on Indigenous Affairs is working with the Australian Public Service Commission (APSC) to formulate strategies for the employment and training of staff who work with Indigenous communities, particularly agency staff in Indigenous Coordination Centres (ICCs).

Training for ICC staff is on an 'as needed' basis. It will depend on the existing expertise of individuals in each office and will be supplemented with training provided by each Australian Government agency that has staff in a particular ICC. ICCs can use a panel of experts that have been contracted by the OIPC to provide advice and help to communities and ICCs as required across a broad range of areas, including facilitating/coordinating access to specialised expertise in community development.

ICCs are also able to draw on a Multi-Use list of community facilitators/coordinators who can work with government and Indigenous communities in a number of roles such as:

- linking communities and government;
- coordinating and developing government service delivery; and
- supporting communities and specific groups in identifying their priorities and negotiating agreements with governments.

The Government appreciates the particular need for staff with community development skills in remote areas. For example, an important development in

relation to the Northern Territory and South Australia is the placement of 'development/service coordinators' in historically under-serviced areas of remote Australia. The coordinators will be directly engaged in community consultation, coordinating service delivery and developing community capacity. As this model becomes fully developed and operational, it will be evaluated to assess its utility in other remote areas.

The Government also supports a range of organisations which undertake and promote community development and cultural awareness courses for people working in Indigenous communities, including:

- Indigenous Community Volunteers, which recruits volunteers with particular skills to work in Indigenous communities and provides a cultural awareness program for volunteers before they start a project;
- the Cape York Institute, which runs leadership retreats and short courses for Indigenous and non-Indigenous people working with Indigenous communities — participants include CEOs, finance managers and school principals; and
- Australian Volunteers International, which recruits staff to work in Indigenous communities and organisations and offers cross-cultural effectiveness training for new employees, retention support programs for people 'in the field' and programs for employees across all sectors within a community to promote and develop capacity building and community development.

Recommendation 6

The Committee recommends that:

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

Response

The Government notes the recommendation and advises that COAG has already agreed to a *National Framework of Principles for Improving Service Delivery to Indigenous Australians* (June 2004) which provides for ongoing consideration of these issues in consultation with relevant stakeholders. The approach to consultation agreed by COAG is in keeping with the spirit of this recommendation. However, COAG's preferred means for consulting with communities and other stakeholders about the implementation of the National Framework is that this should be done under the overarching bilateral arrangements agreed between the Australian Government and individual states and territories.

State and local governments are responsible for a wide range of services to Indigenous people and their participation in joint efforts to overcome Indigenous disadvantage is vital. The National Framework is designed to assist governments to

achieve better outcomes for Indigenous Australians, primarily through more flexible and tailored responses and stronger partnerships.

Within the National Framework, appropriate consultation and service delivery arrangements are being agreed bilaterally between the Australian Government and all individual states and territories. The first such agreement was signed between the Prime Minister and the Chief Minister of the Northern Territory (NT) in April 2005 and is now being implemented. Agreements have subsequently been finalised with Queensland, New South Wales, South Australia and Western Australia.

In addition to these overarching bilateral negotiations, the Australian Government is working collaboratively with state and territory governments and Indigenous communities and regional representatives at a number of other levels, including through Ministerial Councils and intergovernmental working groups. Bilateral negotiations for the delivery of specific services, such as housing, infrastructure and essential services, are also being undertaken under longstanding arrangements between the relevant Australian Government agency and state and territory government agencies.

In a practical way, these series of bilateral engagements are working to clarify program and service delivery roles and responsibilities. For example, the bilateral agreement with the NT identifies that the NT has primary responsibility for housing. Furthermore, in negotiating Indigenous Housing and Infrastructure Agreements for 2005-08, the Australian Government has focused on the objective of having state/territory governments take full responsibility for service delivery of housing, infrastructure and essential services to all Indigenous communities.

The Government is also negotiating Regional Partnership Agreements (RPAs) with Indigenous representatives, governments and other stakeholders, under which roles and responsibilities can be agreed across a region. Australia's first RPA was signed in August 2005. Along with associated SRAs, this commits the Australian Government to provide more than \$8 million over 3 years for infrastructure, services and resources for the Ngaanyatjarra Council. The Western Australian Government has also contributed significant funding for other projects as part of these agreements. The RPA will support the Ngaanyatjarra Council for three years to work with local communities and government to achieve better ways for power and municipal services to be delivered in the twelve Ngaanyatjarra communities.

COAG's National Framework is also working to reduce duplication and overlap and to provide for a more efficient and transparent use of resources, including reducing the instances of inappropriate cost-shifting between governments. At the local level, the negotiation of SRAs, RPAs and the work around the COAG trials provides opportunities to identify gaps in service provision and identify and address instances where there is inappropriate cost-shifting at the local level.

At a broader level, in response to the *Rates and Taxes: A Fair Share for Responsible Local Government* report (Hawker report), the Australian Government is seeking to work collaboratively with state and territory and local governments to develop an intergovernmental agreement on cost shifting and improving transparency in funding.

Recommendation 7

The Committee recommends that:

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

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

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

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

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

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

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

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

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

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

Response

The Government accepts this recommendation in principle and is already substantially addressing the issues raised.

Most of the concerns covered in this recommendation have been the subject of the Government's attention for some time. An overview is provided below.

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

One of the principles underpinning the Australian Government's approach to Indigenous affairs is the focus on regional need. The ICCs, at 30 sites in metropolitan and regional Australia, are working with Indigenous regional networks and communities to shape strategies that ensure that local needs and priorities are understood and addressed. The RPAs and SRAs focus on local issues and the delivery of targeted services that respond to specific community identified needs.

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

The ICCs are whole-of-government centres staffed by officers from the OIPC and other Australian Government agencies delivering health, family, education, employment, training and other services to Indigenous communities. Co-location of agency staff enables collaboration in identification and prioritisation of community needs, SRA design and integration of service delivery. ICCs also work with local representatives of state and territory government agencies. The New South Wales Department of Aboriginal Affairs has also co-located some of its staff in ICCs and other states may follow suit.

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

Improved communication and partnership between government and Indigenous communities and families are fundamental principles of the Government's arrangements in Indigenous affairs. This is exemplified by SRAs and RPAs, which facilitate direct engagement with Indigenous people; and the development of overarching bilateral agreements with the states and territories which focus on collaborative and coordinated delivery of services to Indigenous people (see response to Recommendation 6).

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

Capacity building, within both Indigenous communities and government agencies, is a key focus for the Government. Rather than it being an automatic requirement that a capacity building component be built into the design and implementation of programs, capacity building needs should be considered in the light of the circumstances of individual communities and service delivery organisations.

Implementation of the shared responsibility framework has enabled the Australian Government to improve its understanding of community capacity needs. Measures are already supporting communities to grow their capacity to engage with Government. Government programs such as the Community Development and Employment Projects program (CDEP), support the development of capacity building plans with community members and organisations where such support is needed to achieve better results. The responses to Recommendations 5, 6, 9, 10 and 11 deal with

other measures the Government is taking, in partnership with other organisations and Indigenous communities, to address capacity building.

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

The regular *Overcoming Indigenous Disadvantage* (OID) report provides a framework for monitoring improvement against baseline data and public reporting on outcomes being achieved for Indigenous people. Rather than establishing arbitrary benchmarks which can create inappropriate expectations, the Australian Government believes that monitoring the changes over time to close the gap between outcomes for Indigenous and non-Indigenous Australians is a better strategy to work towards achieving real changes. However, the OID report notes difficulties in obtaining performance information in respect of some programs and services for Indigenous Australians. Measures to improve performance information nationally have been outlined in the response to Recommendation 1.

Also, the OID report itself does not monitor the performance of individual services or programs, nor the specific Australian Government contribution to outcomes. It needs to be complemented by a robust, whole-of-government accountability and performance reporting framework so government and communities themselves can see how funding or service interventions are making a difference. More information about the framework operating currently is provided in the response to Recommendation 4.

SRA's also allow communities to be directly engaged in shaping programs and service delivery and, at the same time, provide bottom-up advice to government on changes that might be needed to ensure programs and services are flexible and meeting the needs of Indigenous communities. Regular feedback on progress is provided directly to communities as part of the SRA implementation process. SRA's are also covered by the performance monitoring and evaluation framework.

The Secretaries' Group on Indigenous Affairs also provides an annual performance report on programs for Indigenous people.

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

The Australian Government is working with the states and territories through the overarching bilateral agreements to implement the COAG *National Framework of Principles for Delivering Services to Indigenous Australians*. This, linked with the direct engagement with Indigenous people on the ground (a key feature of the Government's activities in Indigenous affairs), is helping to ensure that services for Indigenous Australians are more flexible, accessible and are designed and delivered in such a way as to meet their needs.

- (g) the enhancement of the skills and capacity of agency staff (including cross-cultural and language training, and the placement of high level staff and policy makers 'on the ground' in Indigenous communities) and the placement*

of appropriately skilled field officers 'on the ground', and reducing the turnover rate of such staff

The Government encourages and facilitates the development of appropriate skills among staff working with Indigenous communities. At the local level, senior officers, particularly ICC managers, work closely with Indigenous communities in identifying needs and negotiating and monitoring SRAs and RPAs. The response to Recommendation 5 deals with the training provided for agency staff working with Indigenous communities.

As a specific measure to enhance the skills and capacity of ICC Managers, and to provide them with support to manage their challenging roles, the Australian Public Service Commission and OIPC is assigning an individual mentor at the SES Band 3 level to ICC Managers. The APSC is also extending its training programs to improve skills in Indigenous policy development and service delivery, both generally and targeted to staff in ICCs.

The response to Recommendation 5 also notes that the Government is placing a number of 'development/service coordinators' with strong community development skills in historically under-serviced areas of remote Australia.

(h) A commitment to the creation of Indigenous specific positions in agency structures

The Australian Government is committed to the attraction, recruitment and retention of Indigenous employees in Australian Public Service (APS) agencies, and there are a number of policies and programs in place to support the recruitment and career development of Indigenous people.

It should be noted, however, that the APS is under the same anti-discrimination regime that applies to other workplaces and that decisions affecting appointment, promotion and transfer must be free from discrimination on the grounds of race, colour or ethnic origin. Merit is the fundamental basis for recruitment and promotion in the APS.

Agencies are able to access a number of mechanisms to increase recruitment and career development opportunities for Indigenous employees, within the broad APS Value of merit in employment. For example:

- Agency Heads have available special provisions to enable them to identify specific opportunities as available only to Indigenous applicants (a 'special measure' under Commonwealth anti-discrimination law); and
- where a job within the APS requires an understanding of the culture and issues faced by Indigenous Australians and an ability to deal effectively and sensitively with these, the selection criteria can reflect this. However, recruitment is on the basis of merit and therefore not confined to Indigenous applicants.

In August 2005 the Prime Minister announced a new Indigenous Employment and Capability Strategy for the APS aimed at encouraging and facilitating the employment and advancement of Indigenous people in the APS. Programs under this strategy include:

- an Indigenous Traineeship Pilot Program which currently operates in seven agencies where staff have recently completed study towards a Certificate III in Government;
- a service-wide Indigenous graduate program to recruit recent graduates into APS positions across the service;
- an Indigenous Exchanges program to enable Indigenous employees to undertake short term placements in other agencies to broaden their experience and develop their capabilities; and
- the *Leadership in the Australian Public Service: An Indigenous Experience* program which supports executive staff from an Indigenous background to build their leadership capability within a public service context and to meet their personal, community and agency leadership capability aspirations and obligations.

Australian Government agencies also have in place entry level development programs targeted at recruiting Indigenous employees. Examples include the Department of Employment and Workplace Relations' Indigenous Australian Contract Management Training Program - an Indigenous specific initiative aimed at having Indigenous employees complete the Department's Certificate IV course in contract management.

A number of agencies have Indigenous staff in community liaison positions. For example, Centrelink - an agency which delivers services directly to Indigenous people - has a network of Indigenous staff at area and local office level. These include Indigenous Customer Service Officers who facilitate contact between Indigenous customers and Centrelink, and Indigenous Employment Outreach Officers whose main focus is to work with all stakeholders involved with identifying and addressing barriers to employment for Indigenous job seekers.

The Department of Families, Community Services and Indigenous Affairs has a Coordinator of Indigenous Recruitment and Retention, and has increased Indigenous policy and program strength through substantially increasing the number of Indigenous staff at all levels in National Office.

The Department of Health and Ageing has an Indigenous staff network that provides support to Indigenous employees and offers advice in the development and implementation of departmental workforce initiatives.

In relation to the final part of Recommendation 7, proposing that the Government report to Parliament on the above matters, the Government considers that current and future public reporting requirements are sufficient and provide adequate scope for referral of issues to parliamentary committees where this is appropriate. Relevant reports include:

- the *Overcoming Indigenous Disadvantage* progress reports;

- the Secretaries' Group on Indigenous Affairs public annual report;
- the *Report on Government Services: Indigenous Compendium*;
- reporting on the COAG trials (see response to Recommendation 3);
- the annual *Access and Equity Report*, prepared by the Department of Immigration and Multicultural Affairs;
- the annual *State of the Service* report by the Public Service Commissioner; and
- the annual reports and program evaluation and review reports of relevant service delivery agencies.

Recommendation 8

The Committee recommends that:

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

Response

The Government accepts this recommendation in principle and is already progressing measures consistent with it.

The Government has instituted a number of measures under the new arrangements in the administration of Indigenous affairs that seek to reduce the administrative burden relating to multiple funding sources and reporting requirements on Indigenous community organisations. These are outlined below.

- A network of ICCs has been established, staffed by a range of agencies, designed to improve inter-agency collaboration and coordination in the funding of service delivery in Indigenous communities.
- A flexible program funding pool has been established in relevant agencies to provide implementation assistance for the establishment and operation of SRAs between the Australian Government and Indigenous communities and other stakeholders (including state and territory governments). This pool complements other mainstream and Indigenous-specific program funding which is being applied on a more flexible basis. It allows support for tailored responses to local priorities that are designed and driven by communities.
- A single funding application process (managed through the ICC network) has been implemented in the administration of former ATSIC and ATSI program resources that have been devolved to mainstream agencies. The resulting funding for successful organisations is provided under a single cross-portfolio funding agreement. As part of this process, whole of government assessment of funding applications is undertaken within ICCs to develop a consistent approach to the consideration of applications across programs and establish appropriate reporting and accountability requirements.

- Under COAG, the Government is negotiating bilateral agreements with state and territory governments that clarify roles and responsibilities and seek to implement a collaborative and cooperative approach to the delivery of services to Indigenous communities. These agreements will have an emphasis on eliminating duplication, focusing on outcomes, and minimising the impost on community organisations of the reporting and accountability requirements of multiple government funding sources.
- The Government has embarked on a strategy to reduce the level of red tape involved in the provision of services to Indigenous communities:
 - OIPC engaged a consultant to examine the nature and extent of the undue burden placed on Indigenous communities and organisations in doing business with government, as well as to recommend possible options to address the undue burden. The consultancy examined 22 government supported organisations in 18 communities nationally, and reported in May 2006;
 - This work will be furthered through a small number of projects with specific communities to investigate the development and trial of models of structural reform to funding arrangements, which may have the capacity to be delivered in other communities if proved successful; and
 - A Funding Reform Branch has been established within OIPC to coordinate more flexible and responsive program delivery arrangements for Indigenous communities.

The Committee's recommendation focused on "grants and entitlements that are formula funded". It is unclear what scope is envisaged under "entitlements". Entitlement based funding – such as ABSTUDY payments for individuals – are the province of the eligible recipient alone and are not amenable to pooling. In some cases the estimated equivalent of expenditure that may have been expected to accrue under normal usage circumstances - for example, subsidies under the Pharmaceutical Benefits Scheme (PBS) - have been "cashed out" and appropriated separately (in the case of the PBS, to be used for targeted health related purposes), but the separate appropriations have not been in the form of "entitlements" of any individuals.

Where the provision of funding is based on a formula, this does not diminish the Government's expectations relating to its use or in some way make it more amenable to pooling than other funding provisions. For example, the CDEP program is a flexible program where participants voluntarily forgo their income support benefits to participate actively in a wide range of community-based initiatives in return for a CDEP wage. Management and activity fees that are paid to CDEP organisations are tailored to the particular circumstances of the community and the service provider. However, the funding that a CDEP organisation receives for participant wages is based on an Average Per Participant (APP) rate multiplied by an agreed level of participation known as the Target Employment Level (TEL). Adjustments are then made based on the actual utilisation of the TEL. This creates an environment where communities can flexibly assign participants to activities that can enhance the coordinated delivery of services to the community and supplement other government services.

BUILDING THE CAPACITY OF INDIGENOUS ORGANISATIONS

Recommendation 9

The Committee recommends that:

In relation to contracts to provide services to Indigenous communities, the Commonwealth Government ensure that:

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

(b) in seeking tenders to deliver services:

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

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

Response

The Government notes this recommendation. Most of the recommended measures are possible under current policy and guidelines.

The Australian Government's procurement policy, as stated in the *Commonwealth Procurement Guidelines*, includes a core principle of value for money. In considering value for money, price is not the only criterion to be considered, and officials may, where appropriate, take into account any benefits accruing to Indigenous communities or people from their participation in or through the award of the contract. The devolved financial management framework, under which each agency is responsible for the management of its own procurement, provides the ability for each agency to manage the involvement of Indigenous communities or individuals, as appropriate to a particular procurement.

Regulation 9 of the Financial Management and Accountability Regulations 1997 requires officials to consider the following policy when approving expenditure of public money:

Indigenous Opportunities

Where individual projects involve expenditure over \$5 million (\$6 million for construction and related facilities) and are in places where there are significant Indigenous populations with limited employment opportunities, officials should:

- *consider opportunities for training and employment for local Indigenous communities and document the outcomes;*
- *consider the capabilities of local Indigenous suppliers when researching sources of supply; and*

- consult the relevant Indigenous Coordination Centre, community council or group, as appropriate, in planning stages of proposed projects.

Recommendation 10

The Committee recommends that the Commonwealth Government continue to support research into governance in Indigenous communities with a view to developing a body of knowledge that can be utilised to assist in the development of effective institutional governance in Indigenous communities.

Response

The Government accepts this recommendation in principle.

Experience both in Australia and overseas highlights the importance of sound governance for the economic and social development of Indigenous communities. Investing in Indigenous community leadership and governance has been identified by COAG and the Ministerial Taskforce on Indigenous Affairs as a priority area.

The Government will continue to support research into governance in Indigenous communities and to learn from that research. Examples of research that the Government currently supports are:

- Indigenous Community Governance Research Project undertaken by Reconciliation Australia and the Centre for Aboriginal Economic Policy Research (CAEPR). This is sponsored by the Australian, Western Australian and Northern Territory governments. The project comprises a number of studies on Indigenous community governance undertaken with participating Indigenous communities, regional Indigenous organisations and leaders across Australia. It aims to provide best practice advice to organisations and governments. The results of this work are being made widely available in the form of reports, papers, newsletters and workshops; preliminary research findings from the first year of fieldwork were released in June 2006. In addition to its research activities, Reconciliation Australia has established the Indigenous Governance Awards to encourage, reward and promote best practice in Indigenous governance;
- governance research projects undertaken by the Desert Knowledge Cooperative Research Centre. These are conducted under the theme of 'governance, management and leadership for a sustainable future' with a particular focus on new forms of governance for dispersed communities in Central Australia; and
- the Cape York Institute for Policy and Leadership has a comprehensive program for building governance and leadership capacity, including a focused action research component.

The Office of the Registrar of Aboriginal Corporations (ORAC) seeks to incorporate into its practices the findings from a range of national and international research initiatives, and therefore takes a keen interest in such initiatives. ORAC delivers a

suite of corporate governance training and information which is supported by active regulation of Indigenous corporations. ORAC's work involves some action research on areas within its statutory role. ORAC also supports sharing of key knowledge and for example co-hosted with Reconciliation Australia a corporate governance training forum in June 2004 that focused on training strategy, policy and delivery issues especially relevant to remote participants. ORAC also co-hosted with OIPC and the Office of Evaluation and Audit (Indigenous Programs) a forum on risk issues for programs funding Indigenous corporations in October 2004. Both these forum reports and other information about ORAC can be found at www.orac.gov.au

Through its Professional Services to Native Title Claimants Program, the Government supports a range of research related to governance and capacity building and applies this in the support it provides to Native Title Representative Bodies (NTRBs). This program also has a specific capacity building component which provides training courses and workshops to staff of NTRBs.

There are a number of other contexts in which the Government is able to apply the lessons learnt from governance projects more broadly, for example:

- across the COAG trial sites, initiatives have included a strong focus on governance as communities have identified the need to develop community governance arrangements that facilitate more effective interaction with governments;
- governance initiatives have also been a focus of SRAs more broadly; and
- capacity building and community governance is an important element of the assistance the Government is providing to communities in crisis.

Recommendation 11

The Committee recommends that:

(a) the Commonwealth Government investigate building a governance training and mentoring component into the provision of funding to Indigenous community organisations, and that the programs funded this way be monitored against agreed benchmarks and targeted outcomes; and

(b) the Commonwealth Government continue to invest in and further develop appropriate training and mentoring programs in partnership with Indigenous people and, in particular, increase funding support for the Australian Indigenous Leadership Centre and other similar programs.

Response

The Government notes this recommendation. The Government will continue supporting measures to improve the governance of Indigenous organisations, and to foster Indigenous leadership.

With respect to the proposal that a governance training and mentoring component be built into program funding, the Government's view is that this should not be an automatic requirement, but rather an option to be considered in the light of the needs of individual organisations and the nature and size of the funding programs.

Having said that, increasing governance support for community organisations, and mentoring and leadership training, are important elements in the Government's reforms in Indigenous affairs. A number of the Government's programs include a capacity building component. For example:

- under the Professional Services to Native Title Claimants Program a range of corporate governance training activities are undertaken to boost the capacity of Native Title Representative Bodies (NTRBs);
- a strong focus of the Government's CDEP program is the building of community and individual capacity, including training and support for the hundreds of Indigenous organisations which administer the program; and
- the Indigenous Housing and Infrastructure Agreements 2005-2008 for the delivery of housing, infrastructure and essential services to Indigenous communities (involving targeted funding of \$56 million) have reporting arrangements that include measures on improving governance arrangements within the Indigenous community housing sector.

The Government is also committed to ensuring that the organisations incorporated under Commonwealth legislation are appropriately regulated and supported. The Bill to create a new Corporations (Aboriginal and Torres Strait Islander) Act was released in June 2005 following a review of the *Aboriginal Councils and Associations Act 1976* and extensive consultation. The new Act will be more flexible and provide a better means of strengthening the corporate governance of the 2,600 or so Indigenous organisations incorporated under the Act. More information on the Bill can be found at www.orac.gov.au

Key features include:

- making directors and managers responsible for their decisions as they would be under mainstream incorporation legislation;
- establishing a new public register for disqualified directors;
- strengthening the rolling program of corporate governance audits;
- instituting more rigorous reporting requirements for larger corporations, and reduced requirements for small to medium corporations; and
- introducing more flexibility to develop rules and constitutions to match local circumstances and cultural requirements.

To complement this legislation, the Office of the Registrar of Aboriginal Corporations (ORAC) provides a corporate governance training program (formerly known as the Enhanced Training Program) which is an Australian Government initiative. This

training targets boards, members and key staff of Indigenous organisations, with a focus on women and youth. The aim is for Indigenous people to succeed in accredited training through the Certificate IV in Business (Governance).

The training is delivered in two distinct models (regional and remote), and consists of non-accredited and accredited training. It is delivered by qualified trainers and registered training organisations contracted by ORAC. This is supplemented by information sessions on specific corporate governance issues in a longer term capacity building framework targeted at ORAC corporations. Action research informs remote training and a remote area training strategy is in development.

ORAC published a review of the training program, which will inform future strategy, policy and delivery of ORAC's corporate governance training, and any expansion of this training.

Governance training and mentoring support are also available to communities through the Panels of Experts and the Multi-Use List (MUL) of community facilitators/coordinators. Among other things, these arrangements have been established to help develop the capacity building skills of Indigenous communities and families. The MUL has been established to facilitate access to a range of essential skills and expertise to support communities at the individual level and will complement the more specialised technical services of the Panels of Experts.

OIPC is working with the Australian Indigenous Leadership Centre (AIRC), the Cape York Institute for Policy and Leadership, the Youth Leadership Program, Indigenous Community Volunteers and Australian Volunteers International to conceive, design and deliver governance and leadership programs.

The AIRC undertakes Indigenous leadership training and development at a national level. In the past the AIRC has received significant funding support from the Australian Government, but now receives the majority of its sponsorship and funding from the private sector.

An important initiative is the Indigenous Women's Development Program aimed at enabling women in particular to take leadership roles in their communities. Each year 70 Indigenous women, who have leadership capacity and who are already making a contribution to their communities, are supported through the program. The program aims to strengthen and build on their leadership, communication, networking, organisational and goal-setting skills. They are supported by a skilled and experienced coach or mentor.

The Government funds a range of other related initiatives, including:

- Reconciliation Australia, which received \$15 million in Australian Government funding in the 2004 Budget, is implementing the Good Indigenous Governance Program;
- the Cape York Institute for Policy and Leadership conducts a range of programs aimed at building local leadership and governance capacity - the Institute receives funding from and works in close collaboration with a range of state, federal, corporate and philanthropic organisations;

- the Government has introduced an Indigenous Youth Leadership Program which will award 250 secondary school and university scholarships to talented Indigenous students, generally from remote areas - scholarship participants will be supported through a range of activities, including orientation and study tours and practical leadership experience; and
- the National Indigenous Youth Leadership Group has been established to enable Indigenous youth to share information, develop capabilities and discuss issues with government.

In addition to these, many of the SRAs signed to date feature community capacity building, governance and leadership as their theme. For example, under an SRA between the Women's Council of the NPY lands, the Australian Government and the University of Melbourne, 12 young Anangu and Yarnangu women were selected to go to summer school at the university where they met potential role models and mentors who encouraged them to undertake further study. When they returned to their community they visited schools, featured on local radio and addressed the NPY Women's Council careers conference. It is expected that SRAs will continue to provide opportunities for improving governance in communities.

Recommendation 12

The Committee recommends that:

In relation to Indigenous communities and organisations employing staff from outside their communities in service delivery roles, the Commonwealth Government initiate action to establish a central register to accredit people available to work for Indigenous communities and organisations in order to provide those communities and organisations with confidence in the selection of reputable staff. In particular, the register should:

(a) be compiled in collaboration with representatives from Indigenous communities and relevant State and Territory bodies responsible for the funding of Indigenous communities; and

(b) be maintained centrally, either through an agency such as the Department of Employment and Workplace Relations, or a central employment agency.

Response

The Government notes this recommendation and the importance to Indigenous community organisations of being confident that they are recruiting reputable staff. There are already a number of organisations facilitating the recruitment of competent people. Given this, and the practical and legal issues concerning the establishment and maintenance of a national database of accredited people, the Government has instead focused on other initiatives to assist communities with respect to this issue (see also response to Recommendations 5 and 13).

Organisations that currently offer recruitment services include:

- *Transremote* has a recruitment database and offers a recruitment and selection service dedicated to remote Aboriginal community organisations and job seekers wishing to consolidate their skills and interests in community development within remote areas;
- *Remote Recruiting Services* (a service of Australian Volunteers International) also has a data base and assists Indigenous communities to develop a recruitment strategy, formulate position descriptions and selection criteria, place advertising and carry out reference checks. This initiative is supported by Australian Government funding;
- the *Local Government Association of the Northern Territory* has a website with available positions in NT and other remote communities and provides an executive recruitment service;
- *Indigenous Recruitment Employment* offers basic recruitment services as well as many HR management functions from an employment advocacy service to payroll preparation and staff management; and
- *Indigenous Community Volunteers* can find a volunteer with the right skills for individual communities; volunteers are screened, trained in cultural awareness and mentored. This initiative was established, and continues to be supported, by the Australian Government.

The Government reforms being introduced under the Bill to create a new Corporations (Aboriginal and Torres Strait Islander) Act, which was introduced in June 2005, will assist in providing staff quality controls, in particular:

- establishing a new public register for disqualified directors; and
- making directors and managers responsible for their decisions as they would be under mainstream incorporation legislation.

The Government is supporting the placement of appropriately skilled staff with communities in a number of other ways, including through SRAs. For example, an SRA in Kalumburu WA included funding for a new Community Development Officer, provision of training to Community Council members and the community CEO, and mentoring in governance and conflict resolution.

Under agreements with the relevant state governments, development coordinators have also been employed in remote areas of the Northern Territory and South Australia. The coordinators are directly engaged in community consultation, coordinating service delivery and developing community capacity.

The Government will continue to monitor the recruitment and training of employees in Indigenous communities and to consider ways in which it can assist, including the place for any central register and any legal issues involved in establishing and maintaining it.

Recommendation 13

The Committee recommends that:

(a) The Commonwealth Government promote and further develop initiatives such as Indigenous Community Volunteers to enhance mentoring and skills development in Indigenous communities and organisations; and

(b) take a leadership role in encouraging partnerships and joint ventures between the private/corporate sector and Indigenous communities, organisations and individuals.

Response

The Government accepts this recommendation and is already implementing it.

The Government agrees that there is significant potential for volunteers to contribute to community development, particularly through transferring their skills to Indigenous communities and actively promotes this through a range of initiatives.

Indigenous Community Volunteers (ICV), which was established by and receives its primary funding from the Australian Government, was provided with an additional \$20m in the 2004-05 financial year. The funding is enabling ICV to significantly expand its activities including supporting the involvement of the corporate and non-government sectors and to provide for longer term volunteer placements. ICV is also seeking to establish an ongoing funding base with support from corporate Australia, the philanthropic sector, other interested organisations and individual donations.

ICV now also supports an Ears and Eyes Health program which is aimed specifically at providing volunteers who can help with the ear and eye health of Indigenous communities. There is also an ICV/Australian Public Service Secondees program which provides senior public servants to Indigenous organisations and businesses to transfer their skills.

ICV, in partnership with Westpac, also provides support to the Indigenous Capital Assistance Scheme. This support includes mentoring and provision of business advice. The Department of Employment and Workplace Relations (DEWR) is now working with ICV to assist the organisation to build strong linkages with ICCs to facilitate its involvement in wider whole-of-government service delivery, including in the context of SRAs. An example is the SRA in Punju Njamal in WA where ICV volunteers are providing technical assistance and advice on sustainable farming techniques to enable the community to grow their own food and eventually sell produce.

The Cape York Institute for Policy and Leadership draws on the expertise of professional and corporate volunteers to undertake a range of social and economic enterprise projects that provide mentoring and training to local people. The Institute receives funding from and works in close collaboration with a range of state, federal, corporate and philanthropic organisations.

The Australian Government, through the Department of Families, Community Services and Indigenous Affairs (FaCSIA), has a partnership with the ANZ Bank to implement the MoneyBusiness program in six sites in the Northern Territory and Western Australia. The program brings together ANZ's experience in financial literacy and the remote service delivery expertise of FaCSIA and local community service providers, who will deliver the program. The partnership enhances the understanding of the financial service sector about remote Indigenous banking and money management issues, including access to services and appropriate service delivery.

The Australian Government also takes a leadership role in promoting partnerships between the private/corporate sector and Indigenous communities. The Corporate Leaders for Indigenous Employment Project (CLIEP) challenges corporate organisations to demonstrate their commitment to providing job opportunities to Indigenous Australians. Under CLIEP, a flexible package of funding is available to participating organisations. This funding can be tailored to business needs and may assist the implementation of a strategy that could include, for example, assistance for pre-employment training, mentoring or cross-cultural training.

In June 2005 a memorandum of understanding (MOU) was signed between the Commonwealth of Australia and the Minerals Council of Australia to work together with Indigenous people to build sustainable, prosperous communities in which individuals can create and take up social, employment and business opportunities in mining regions. Deliverables under the MOU include:

- increased employability and jobs for Indigenous people;
- increased business enterprises run by Indigenous people;
- prosperous Indigenous individuals, families and communities that endure beyond the life of mining in the region;
- a strong partnership between industry and government that works with Indigenous people locally to generate solutions to complex issues on a local or regional basis;
- a working group to progress implementation; and
- a methodology for working together that includes regional frameworks and the promotion of best practice.

The Australian Government also supports the formation of direct business partnerships through Indigenous Business Australia (IBA). IBA seeks to facilitate economic development of Aboriginal and Torres Strait Islander people by providing them with support to pursue opportunities for participating in commercial ventures, business opportunities and home ownership. IBA's Equity and Investments Program (EIP) has been effectively building the asset base for a number of Indigenous organisations through major investments and joint ventures which IBA has facilitated and partnered in. Starting with an asset base of \$64.8 million in 2001, IBA's investments through this program were worth over \$120 million as at 30 June 2005.

Home ownership is often a first step in establishing equity to participate in business ventures and, since its establishment, the Home Ownership Program has assisted more than 12,000 Indigenous families to buy their own home. The current home loan portfolio comprises over 3,400 loans with a total value in excess of \$360 million. The IBA Indigenous Business Development Program (IBDP) has a budget allocation of approximately \$30 million dollars in 2005/06 and aims to equip Aboriginal and Torres Strait Islander people with the necessary market intelligence, skill development services and alternative financial products (in lieu of mainstream finance) to achieve greater independence by creating viable business enterprises.

A number of SRAs involve partnerships between private enterprise, the Government and Indigenous communities. The Sarina (Qld) SRA brings local businesses into a partnership with the Australian, Queensland and local governments to develop an Economic Participation Strategy for young people. In Innisfail (Qld) a tourist operator has formed a partnership with the Indigenous community to provide traditional dance performances at a popular tourist destination as part of an award-winning cultural enterprise.

The Prime Minister's Community Business Partnership (PMCBP) encourages partnerships between businesses, community organisations and government. Examples of partnerships between businesses and Indigenous communities are showcased through the Prime Minister's Awards and Community Business Partnerships Week. The PMCBP is currently considering specific activities to further encourage collaboration between the private sector and Indigenous communities.

BUILDING THE CAPACITY OF INDIVIDUALS, FAMILIES AND COMMUNITIES

Recommendation 14

The Committee recommends that:

The Commonwealth Government's Partnerships Against Domestic Violence (PADV) program produce a report to Parliament on the impacts of PADV initiatives funded to address Indigenous family violence and that procedures be implemented to ensure that the report presented to the House of Representatives stands referred to this Committee.

Response

The Government does not accept the recommendation as there are adequate arrangements in place to review and learn from the PADV program.

As part of the \$50 million PADV initiative, \$6 million was allocated to the National Indigenous Family Violence Program (NIFVP). As part of this program a mentor organisation was engaged to work with the funded communities to assist them to successfully complete funded projects. This organisation was also contracted to undertake an evaluation of the program and the mentoring process.

After receiving the final evaluation report, the then Department of Family and Community Services considered it not to be of an appropriate quality to enable publication. However, in order to share the findings from PADV including projects funded under the NIFVP, a dissemination strategy was conducted between October 2004 and June 2005.

The overall aim of the dissemination strategy was to communicate the key findings and good practice approaches of PADV by:

- highlighting the achievements and key findings of PADV and promoting the resources available for policy makers, service providers, community leaders and the general public;
- increasing understanding of the key findings of PADV including how those findings could be used to contribute to changes in policy development, service planning and delivery; and
- improving service responses to women, children and men.

A number of activities to showcase the findings of PADV were undertaken in each State and Territory including segments that featured NIFVP presentations. Activities included conferences, showcasing seminars, information booths at related conferences, presentations at industry group events, articles in newsletters and journals, and presentations at Australian Government officials forums.

Audiences for these activities included policy makers and program managers from relevant Australian Government and State and Territory agencies; service providers; and key professionals who may be points of first contact for people experiencing

domestic violence such as teachers, general practitioners, police, maternal health workers, and lawyers.

Recommendation 15

The Committee recommends that:

The issue of strategies to address alcohol and substance misuse in Indigenous communities be referred to this Committee for inquiry and report.

Response

The Government does not accept this recommendation given the comprehensive measures already being taken to address the issue of alcohol and substance misuse in Aboriginal and Torres Strait Islander communities nationally.

The issues surrounding substance misuse are not the responsibility of one level of government alone. Initiatives need to be joined up and a comprehensive approach undertaken. The Government has been active in developing and implementing cross-government work in this respect.

For a comprehensive approach to alcohol and substance misuse in Indigenous communities the Committee is referred to the Ministerial Council on Drugs Strategy (MCDS) – National Drug Strategy Aboriginal and Torres Strait Islander Peoples' Complementary Action Plan 2003–2006. The Government has also developed a comprehensive strategy to tackle petrol sniffing in the Central Desert region of central Australia with a view to evaluating its utility for use in other remote regions where petrol sniffing is prevalent.

The MCDS, which includes Australian Government and state and territory government Ministers, endorsed the new *National Drug Strategy: Australia's integrated framework 2004-2009*, on 20 May 2004. MCDS acknowledged that the development of the Complementary Action Plan was a significant outcome from the previous National Drug Strategy and identified the implementation of this Plan as a specific priority area for action under the National Drug Strategy 2004–2009. In November 2004, MCDS endorsed five specific priorities relating to the implementation of the Complementary Action Plan:

- National Smoking Cessation Program – set three and five year targets to reduce smoking prevalence rates in Indigenous communities through a national smoking cessation program including access to nicotine replacement therapy and education programs;
- Management of Alcohol Related Problems – increase the prescribing and uptake of pharmacotherapies for alcohol related problems in Indigenous communities;
- Improve Indigenous Data Collections – investigate the feasibility of an ongoing Indigenous National Drug Household Survey Supplement;
- Policing Response – improve outcomes from the response to the use of cannabis, amphetamines and other illicit drugs by Indigenous communities; and

- Policing Response – improve outcomes from the response to petrol sniffing and other inhalant misuse in rural and remote Indigenous communities.

These five priorities and links to the Key Result Areas of the Complementary Action Plan are outlined in the discussion paper presented to the Committee in October 2004.

Projects to address the first three priorities have commenced. Initiatives to be developed in accordance with the final two priority activities will be informed by the results of a number of current research projects relating to policing responses to substance use that are being conducted by the National Drug Law Enforcement Research Fund.

In July 2006, as part of the COAG response to violence and child abuse in Indigenous communities, the Government agreed to provide an additional \$53.8 million over four years for drug and alcohol treatment and rehabilitation services in regional and remote areas.

In addition, the Government has increased efforts to tackle the issue of petrol sniffing, which affects a number of remote Aboriginal and Torres Strait Islander communities. Since 1998, under the Petrol Sniffing Prevention Program (formerly the Comgas Scheme), the Australian Government has subsidised the provision of non-sniffable fuel to registered Indigenous communities. In the 2005-06 Budget the Government announced an additional \$9.6m over four years (in addition to the pre-existing \$1m per annum) to enable more communities to be assisted and to trial rollouts in two COAG-sites.

On 12 September 2005, the Government announced further funding of \$9.5 million over 2 years to further roll out non-sniffable fuel in central Australia and to assist South Australia, Western Australia and the Northern Territory to stop traffickers, and further develop diversionary activities and rehabilitation facilities. The Western Australian, Northern Territory and South Australian governments have given their support to the eight point plan of action developed by the Australian Government to combat petrol sniffing.

This whole-of-government initiative will tackle petrol sniffing through consistent legislation, appropriate levels of policing, a further roll-out of non-sniffable fuel, alternative activities for young people, treatment and respite facilities, communication and education strategies, strengthening and supporting communities, and evaluation.

In the 2006-07 Budget, a further \$55.2m has been provided over four years to supplement the initiative to combat petrol sniffing in the central desert region and in two more regions where petrol sniffing is an issue.

On 5 October 2005 the Senate referred matters concerning petrol sniffing to the Community Affairs References Committee. Those matters include the effectiveness of laws, policing, diversionary and community level activities, and lessons from community successes in reducing petrol sniffing (including the impact of supplying non-sniffable fuel as a supply reduction initiative). The Committee completed its report in June 2006.